

CHICAGO BRIDGE & IRON CO N V

Form DEF 14A

April 08, 2008

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Chicago Bridge & Iron Company N.V.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
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1) Title of each class of securities to which transaction applies:

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-

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**CHICAGO BRIDGE & IRON COMPANY N.V.
OOSTDUINLAAN 75
2596 JJ THE HAGUE, THE NETHERLANDS**

**NOTICE OF AND AGENDA FOR ANNUAL GENERAL MEETING
OF SHAREHOLDERS TO BE HELD MAY 8, 2008**

To the Shareholders of:
CHICAGO BRIDGE & IRON COMPANY N.V.

You are hereby notified that the Annual General Meeting of Shareholders (the Annual Meeting) of Chicago Bridge & Iron Company N.V. will be held at the InterContinental Amstel Amsterdam, Professor Tulpplein 1, 1018 GX Amsterdam, The Netherlands, at 2:00 p.m., local time, on Thursday, May 8, 2008, for the following purposes:

1. To elect four members of the Supervisory Board to serve until the Annual General Meeting of Shareholders in 2011. The Supervisory Board recommends the election of Gary L. Neale, Marsha C. Williams, J. Charles Jennett, and Larry D. McVay to fill these positions;
2. To authorize the preparation of our Dutch Statutory Annual Accounts and the annual report of our Management Board in the English language, to discuss our annual report of the Management Board for the year ended December 31, 2007 and to adopt our Dutch Statutory Annual Accounts for the year ended December 31, 2007;
3. To discharge the sole member of our Management Board from liability in respect of the exercise of its duties during the year ended December 31, 2007;
4. To discharge the members of our Supervisory Board from liability in respect of the exercise of their duties during the year ended December 31, 2007;
5. To approve the final dividend for the year ended December 31, 2007 in an amount of \$0.16 per share, which has previously been paid out to shareholders in the form of interim dividends;
6. To approve the extension of the authority of our Management Board, acting with the approval of our Supervisory Board, to repurchase up to 10% of our issued share capital until November 8, 2009 on the open market, through privately negotiated transactions or in one or more self tender offers for a price per share not less than the nominal value of a share and not higher than 110% of the most recent available (as of the time of repurchase) price of a share on any securities exchange where our shares are traded;
7. To appoint Ernst & Young LLP as our independent registered public accounting firm, who will audit our accounts for the year ending December 31, 2008;
8. To amend our Articles of Association to permit record dates up to 30 days prior to the date of a shareholder meeting in accordance with the draft prepared by the Management Board and approved by the Supervisory Board and to authorize each lawyer, each civil law notary and each deputy civil-law notary of Baker & McKenzie Amsterdam N.V., jointly as well as severally, to apply for the ministerial statement of non-objection on the draft deed of amendment of the Articles of Association, to amend said draft in such a way as might appear necessary in order to obtain the statement of non-objection and to execute and to sign the deed of amendment of the Articles of Association;
9. To amend the Chicago Bridge & Iron Company 1999 Long-Term Incentive Plan;

10. To approve the extension of the authority until May 8, 2013 of our Supervisory Board to issue shares and/or grant rights to acquire our shares (including options to subscribe for shares) and to limit or exclude the preemptive rights of shareholders with respect to the issuance of shares and/or the grant of the right to acquire shares;

11. To approve the compensation of the member of the Supervisory Board who serves as the non-executive Chairman; and

12. To discuss the dividend policy.

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Our Dutch Statutory Annual Accounts and the annual report of the Management Board, our Annual Report on Form 10-K, the charters of each of our Audit, Nominating, Organization and Compensation, Corporate Governance and Strategic Initiatives Committees, our Corporate Governance Guidelines and our Code of Ethics can be accessed through our website, www.cbi.com, and, along with directions to attend the Annual Meeting, may be obtained free of charge by request to our principal executive offices at Oostduinlaan 75, 2596 JJ The Hague, The Netherlands; and at our administrative offices c/o Chicago Bridge & Iron Company (Delaware), 2103 Research Forest Drive, The Woodlands, TX 77380-2624 attn: Investor Relations.

REGISTERED SHAREHOLDERS ARE REQUESTED TO COMPLETE, SIGN, DATE AND PROMPTLY MAIL THE ENCLOSED PROXY IN THE ENCLOSED ENVELOPE. NO POSTAGE IS REQUIRED FOR MAILING IN THE UNITED STATES.

David A. Delman
Secretary

April 8, 2008

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on May 8, 2008: The proxy statement and annual report to security holders are available on the Internet at <http://bnymellon.mobular.net/bnymellon/cbi>

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CHICAGO BRIDGE & IRON COMPANY N.V.

PROXY STATEMENT

This proxy statement, which is first being mailed to holders of registered shares on or about April 8, 2008, is furnished in connection with the solicitation of proxies on behalf of Chicago Bridge & Iron Company N.V. (we , CB&I or the Company), who ask you to complete, sign, date and mail the enclosed proxy for use at the Annual General Meeting of Shareholders to be held at the InterContinental Amstel Amsterdam, Professor Tulpplein 1, 1018 GX Amsterdam, The Netherlands, at 2:00 p.m., local time, on Thursday, May 8, 2008 (the Annual Meeting), for the purposes set forth in the foregoing notice and agenda.

Each share entitles the holder thereof to one vote on each matter submitted to a vote at the Annual Meeting. All shares represented by proxies duly executed and received by us within the time indicated on the enclosed proxy (the Voter Deadline) will be voted at the Annual Meeting in accordance with the terms of the proxies. If no choice is indicated on the proxy, the proxyholders will vote for the election of Messrs. Neale, Jennett and McVay and Ms. Williams and for all proposals described in this proxy statement. If any other business is properly brought before the Annual Meeting under our Articles of Association or Dutch law, the proxies will be voted in accordance with the best judgment of the proxyholders. In general, only those items appearing on the agenda can be voted on at the Annual Meeting.

A shareholder may revoke a proxy by submitting a document revoking it prior to the Voter Deadline, by submitting a duly executed proxy bearing a later date prior to the Voter Deadline or by attending the Annual Meeting and voting in person (with regard to which the requirements below apply).

Only holders of record of the 97,065,856 registered shares of our share capital, par value EUR 0.01 (the common shares or shares), issued at the close of business on April 2, 2008 are entitled to notice of and to vote at the Annual Meeting. Shareholders must give notice in writing to the Management Board of their intention to attend the Annual Meeting prior to May 1, 2008. Admittance of shareholders and acceptance of written voting proxies shall be governed by Dutch law.

Although there is no quorum requirement under Dutch law, abstentions, directions to withhold authority to vote for a Supervisory Director nominee and broker non-votes (where a named entity holding shares for a beneficial owner has not received voting instructions from the beneficial owner with respect to a particular matter and such named entity does not possess or choose to exercise its discretionary authority with respect thereto) will be considered present at the meeting but will not be counted to determine the total number of votes cast.

We will bear the cost of soliciting proxies on the accompanying proxy card. Some of our directors, officers and regular employees may solicit proxies in person or by mail, telephone or fax, but will not receive any additional compensation for their services. We may reimburse brokers and others for their reasonable expenses in forwarding proxy solicitation material to the beneficial owners of our shares. We have also retained The Proxy Advisory Group, LLC, to assist in the solicitation of proxies and provide related advice and informational support for a services fee and the reimbursement of customary disbursements. Such fee and disbursements are not expected to exceed \$9,000 in the aggregate.

Shareholders and interested persons may communicate with the Supervisory Board or one or more directors by sending a letter addressed to the Supervisory Board or to any one or more directors in care of David A. Delman, Secretary, Chicago Bridge & Iron Company N.V., Oostduinlaan 75, 2596 JJ The Hague, The Netherlands, in an envelope clearly marked Shareholder Communication. Mr. Delman's office will forward such correspondence unopened to Gary L. Neale, or to another independent director, unless the envelope specifies that it should be delivered to another director.

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CORPORATE GOVERNANCE

Certain Transactions

Director Independence

The Supervisory Board believes that there should be a significant majority of independent directors on the Supervisory Board, and generally no more than one director who is also an employee. An independent director means a member of the Supervisory Board who, in conformity with New York Stock Exchange listing standards and the criteria set forth in Exhibit A (Exhibit A) to our Corporate Governance Guidelines (which comply with and in some cases are stricter than the New York Stock Exchange listing standards), is independent of management and free from any relationship with the Company or otherwise that, in the opinion of the Supervisory Board, would interfere with his or her exercise of independent judgment as a director. No director qualifies as independent unless the Supervisory Board affirmatively determines that the director has no material relationship with the Company (either directly or as an officer, director, partner or significant shareholder of an organization that has a material relationship with the Company), and discloses that determination and the basis for the determination in our annual proxy statement. As stated in Exhibit A, available at www.cbi.com, a director generally will be considered independent if he or she:

has not been employed by us within the past 5 years;

has not been affiliated with or employed by our present or former auditor within 5 years since the end of either the affiliation or the auditing relationship;

has not been part of an interlocking directorate in which one of our executive officers serves on the compensation committee of another company that concurrently employs the director within the last 5 years;

has not had an immediate family member (other than a family member employed in a non-officer position) in one of the categories listed above within the past 5 years;

is not a paid advisor or consultant to us and receives no financial benefit from any entity as a result of advice or consulting services provided to us by such entity;

is not an officer, director, partner or significant shareholder of any of our significant customers or suppliers, or any other entity having a material commercial, industrial, banking, legal or accounting relationship with us; and

is not an officer or director of a tax-exempt entity receiving more than 5% of its annual contributions from us.

However, in making the determination as to independence, the Supervisory Board will broadly consider all relevant facts and circumstances in evaluating any relationships that exist between a director and the Company. Such determinations, in individual cases, may warrant exceptions to the above general guidelines. Based on these guidelines, the Supervisory Board has determined that the following members of the Supervisory Board do not have a relationship with us, and that each of Messrs. Ballengee, Flury, Jennett, Kontny, Neale and Underwood and Ms. Williams are independent under the standards described above. Mr. Asherman, our Chief Executive Officer, is not independent. The Supervisory Board has also determined that all members of the Supervisory Board, except Mr. Asherman, are independent as that term is defined by the Dutch Corporate Governance Code adopted by the Dutch Corporate Governance Committee on December 9, 2003 (the Dutch Corporate Governance Code). As part of

the independence review process, the Supervisory Board considered that Mr. Underwood was an advisor to the Supervisory Board from September 2006 until his election to the Supervisory Board in May of 2007, and in such capacity was paid \$25,000 an amount equal to what he would have earned if he had been a member of the Supervisory Board during such time. Mr. Underwood is a former partner of Arthur Andersen LLP and former Director for Deloitte & Touche LLP, each of which was our former auditor. The nomination of Mr. Underwood was recommended by our Chief Financial Officer. The Supervisory Board has determined that such service and affiliation does not establish a material relationship with us.

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Related Party Transactions

The Nominating Committee of the Supervisory Board is responsible for reviewing and approving all transactions that might represent a conflict or potential conflict of interest on the part of shareholders who hold more than 10% of our shares, directors, officers and employees. Each director, officer and employee must make prompt and full disclosure of all conflicts of interest to the President and CEO, the Chief Financial Officer or the General Counsel of CB&I or the non-Executive Chairman or the Chairman of the Audit Committee. A conflict of interest includes a financial interest in any contract with us or in any organization doing business with us, or the receipt of improper personal benefits or loans as a result of his or her position in the Company. On an annual basis, each Supervisory Director and executive officer is obligated to complete a Director and Officer Questionnaire which requires disclosure of any transactions with the Company in which the Supervisory Director or executive officer, or any member of his or her immediate family, has a direct or indirect material interest. These obligations are set forth in writing in our Code of Ethics and the Nominating Committee charter available through our website, www.cbi.com.

Nominations for Directors

The Nominating Committee of the Supervisory Board is responsible for screening potential members of the Supervisory Board and recommending qualified candidates to the Supervisory Board for nomination. Although the Nominating Committee has not established any specific minimum qualifications to be met by a nominee to be a member of the Supervisory Board, it assesses such factors as independence, judgment, business experience, knowledge of our core business, international background and particular skills to enable a board member to make a significant contribution to the Supervisory Board, the Company and our shareholders. Set forth in Appendix I to the Charter of the Nominating Committee (Appendix I), available through our website, www.cbi.com, are relevant criteria and characteristics which may be considered by the Nominating Committee in identifying nominees to be a member of the Supervisory Board, including:

CEO, COO or running a significant division of a public company;

knowledge of our core business, including contracting, energy, building materials (steel) and chemicals;

knowledge of international business;

financial, liability/equity management and human relations skills; and

independence, as defined in the standards set forth in our Corporate Governance Guidelines.

The Nominating Committee identifies nominees by conducting its own searches primarily based on personal knowledge and recommendations of other members of the Supervisory Board and our management. Nominees are evaluated by the Committee as a whole with reference to Appendix I. The Nominating Committee does not solicit director nominees but will consider and evaluate shareholder recommendations that meet the criteria set forth in Appendix I in the same manner as it evaluates other potential nominees. Recommendations should be submitted in writing and addressed to the Chairman of the Nominating Committee, c/o David A. Delman, Secretary, Chicago Bridge & Iron Company N.V., Oostduinlaan 75, 2596 JJ The Hague, The Netherlands.

COMMITTEES OF THE SUPERVISORY BOARD

The Supervisory Board has five standing committees to assist the Supervisory Board in the execution of its responsibilities. The committees are the Audit Committee, the Nominating Committee, the Corporate Governance Committee, the Strategic Initiatives Committee and the Organization and Compensation Committee. Each committee

is composed of a minimum of three members of the Supervisory Board, except the Corporate Governance Committee which consists of all non-management members of the Supervisory Board, who satisfy the independence requirements required by the Securities Exchange Act of 1934, as amended (the Exchange Act), the rules adopted thereunder, the listing standards of the New York Stock Exchange in effect from time to time and the Dutch Corporate Governance Code. Each committee functions under a charter adopted by the Supervisory Board that can be accessed through our website, www.cbi.com, and is available in print to any shareholder who requests it.

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The current members of the Audit Committee are Ms. Williams (Chairman) and Messrs. Flury, Kontny, and Underwood. The Supervisory Board has determined that Ms. Williams, Chairman of the Audit Committee, is independent as defined in the Exchange Act and under the New York Stock Exchange Listed Company Manual and meets the definition of "audit committee financial expert", as such term is defined under the rules of the Securities and Exchange Commission (the "SEC"), and the definition of "financial expert" as defined by the Dutch Corporate Governance Code. The Supervisory Board has also determined that Ms. Williams and Messrs. Flury, Kontny, and Underwood possess the necessary level of financial literacy required to enable them to serve effectively as Audit Committee members. We maintain an Internal Audit Department to provide the Audit Committee and management with ongoing assessments of our system of internal controls.

The Audit Committee met seven times during 2007. Its primary duties and responsibilities include assisting the Supervisory Board in overseeing:

- the integrity of our financial statements;
- our compliance with legal and regulatory requirements;
- our independent registered public accounting firm's qualifications and independence;
- the performance of our independent registered public accounting firm and our internal audit function; and
- our system of disclosure and internal controls regarding finance, accounting, legal compliance and ethics.

The Audit Committee has adopted policies and procedures for pre-approving all audit and permissible non-audit services performed by our independent registered public accounting firm. Under these policies, the Audit Committee pre-approves the use of audit and audit-related services in connection with the approval of the independent registered public accounting firm's audit plan. All services detailed in the audit plan are considered pre-approved. The Audit Committee monitors the audit services engagement as necessary, but no less often than quarterly. It approves any changes in terms, conditions and fees resulting in changes in audit scope, Company structure or other items. Other audit services and non-audit services are pre-approved at the Audit Committee's quarterly meetings. For interim pre-approval of audit and non-audit services, requests and applications are submitted to the Chief Financial Officer, who has been so designated by the Audit Committee for this purpose. The Chief Financial Officer may approve services which are consistent with the permissible services specifically pre-approved by the Audit Committee. Where the services are not specified by the pre-approval policy, and the Chief Financial Officer approves the request or application, it is submitted to the Audit Committee Chairman, or appropriate designated member of the Audit Committee, for pre-approval. All such audit and non-audit services and fees are monitored by the Audit Committee at its quarterly meeting.

Audit Fees

For the years ended December 31, 2007 and 2006, we incurred the following fees for services rendered by our independent registered public accounting firm, Ernst & Young LLP:

| Fees | 2007 | 2006 |
|---------------|--------------|--------------|
| Audit Fees(1) | \$ 5,634,000 | \$ 4,973,989 |

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| | | |
|-----------------------|--------------|--------------|
| Audit-Related Fees(2) | \$ 71,500 | \$ 56,000 |
| Tax Fees(3) | \$ 405,000 | \$ 380,884 |
| All Other Fees(4) | \$ 1,500 | \$ |
| Total | \$ 6,112,000 | \$ 5,410,873 |

(1) Audit Fees consist of fees for audit of our annual financial statements; audit of our controls over financial reporting; reviews of our quarterly financial statements; statutory and regulatory audits and consents; financial accounting and reporting consultations; and other services related to SEC matters.

(2) Audit-Related Fees consist of fees for employee benefit plan audits.

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(3) Tax Fees consist of fees for tax consulting services including transfer pricing documentation, tax advisory services and compliance matters.

(4) All Other Fees consist of permitted non-audit services.

All of the fees set forth in the table above were approved by the Audit Committee pursuant to its pre-approval policies and procedures described above.

The Audit Committee considered and concluded that the provision of other services was compatible with maintaining Ernst & Young LLP's independence.

The Audit Committee has established a toll-free number, (866) 235-5687, whereby interested parties may report concerns or issues regarding our accounting or auditing practices to the Audit Committee.

Report of the Audit Committee of the Supervisory Board.

The following is the report of the Audit Committee with respect to our audited financial statements for the year ended December 31, 2007.

The Supervisory Board of Directors has adopted a written charter for the Audit Committee.

We have reviewed and discussed with management the Company's audited financial statements as of and for the year ended December 31, 2007.

We have discussed with the Company's independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 61, Communication with Audit Committees, as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

We have received and reviewed the written disclosures and the letter from the independent registered public accounting firm required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3600T, and have discussed with the Company's independent registered public accounting firm their independence. The Audit Committee has also reviewed the non-audit services provided by the Company's independent registered public accounting firm as described above and considered whether the provision of those services was compatible with maintaining the Company's independent registered public accounting firm's independence.

Based on the reviews and discussions referred to above, we recommended to the Supervisory Board that the audited financial statements referred to above be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2007 for filing with the Securities and Exchange Commission.

Members of the Audit Committee

Marsha C. Williams

(Chairman)

L. Richard Flury

Vincent L. Kontny

Michael L. Underwood

Organization and Compensation Committee

The current members of the Organization and Compensation Committee are Messrs. Kontny (Chairman), Jennett, and Neale and Ms. Williams. The Organization and Compensation Committee met four times in 2007. Its primary duties and responsibilities include the following:

establishment of compensation philosophy, strategy and guidelines for our executive officers and senior management;

administration of our long-term and short-term incentive plans;

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evaluation and approval of corporate goals and objectives relevant to the Chief Executive Officer's and named executive officers' compensation, evaluation of the Chief Executive Officer's and the named executive officers' performance in light of those goals and objectives and setting the Chief Executive Officer's and the named executive officers' compensation level based on this evaluation; and

preparation of the Organization and Compensation Committee report on executive compensation to be included in the proxy statement.

Compensation of the Members of the Supervisory Board

Under our Articles of Association, any decisions on compensation of members of our Supervisory Board are made by our general meeting of shareholders. If any changes need to be made to compensation of members of our Supervisory Board, the Nominating Committee makes recommendations to the Supervisory Board on compensation for the Supervisory Directors. The Supervisory Board would then approve or modify those recommendations and propose them to the shareholders at a general meeting. In making a recommendation, the Nominating Committee receives advice and recommendations from our compensation consultants, Hewitt Associates (Hewitt). Hewitt evaluates our compensation practices and assists in developing our director compensation program. They review supervisory director compensation annually, however, changes to director compensation might not be made every year. Hewitt representatives are present at selected Nominating Committee meetings to discuss supervisory director compensation.

Nominating Committee

The current members of the Nominating Committee are Messrs. Ballengee (Chairman), Flury and Jennett. The Nominating Committee met four times during 2007. Its primary duties and responsibilities include the following:

identification, review, recommendation and assessment of nominees for election as members of the Supervisory Board and the Management Board;

recommendation to the Supervisory Board regarding size, composition, proportion of inside directors and creation of new positions of the Supervisory Board;

recommendation of the structure and composition of, and nominees for, the standing committees of the Supervisory Board;

recommendation of fees to be paid to non-employee Supervisory Directors; and

review of conflicts or potential conflicts of interest to ensure compliance with our Code of Ethics and Business and Legal Compliance Policy and making recommendations to the Supervisory Board concerning the granting of waivers.

Corporate Governance Committee

The current members of the Corporate Governance Committee are Messrs. Neale (Chairman), Ballengee, Flury, Jennett, Underwood, and Kontny and Ms. Williams. The Corporate Governance Committee met four times during 2007. Its primary duties and responsibilities include the following:

evaluation of the performance of the Supervisory Board and management;

review of policies and practices of management in the areas of corporate governance and corporate responsibility;

recommendation to the Supervisory Board of policies and practices regarding the operation and performance of the Supervisory Board; and

development, review and recommendation to the Supervisory Board of a set of corporate governance guidelines.

The Corporate Governance Committee provides an opportunity for the non-management members of the Supervisory Board to meet in regularly scheduled executive sessions for open discussion without management. The

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Chairman of the Corporate Governance Committee, Gary L. Neale, presides at these meetings. We have established a toll-free number, (866) 235-5687, whereby interested parties, including shareholders, may contact non-management directors. Calls to this number for non-management directors will be relayed directly to the chairman of the Audit Committee who will forward it to the appropriate member.

Strategic Initiatives Committee

The current members of the Strategic Initiatives Committee are Messrs. Ballengee (Chairman), Flury and Kontny. The Strategic Initiatives Committee met two times during 2007. Its primary duties and responsibilities include the following:

review and approval of contracts, purchase orders, subcontracts and change orders in the ordinary course of business whose price exceeds the approval authority granted by the Supervisory Board to the Chief Executive Officer; and

review and recommend to the Supervisory Board with respect to other matters exceeding the authority granted by the Supervisory Board to the Chief Executive Officer.

Information Regarding Meetings

The Supervisory Board held six meetings in 2007. Each of the Supervisory Directors attended at least 75% of the meetings of the Supervisory Board and of each committee of which he or she was a member. We expect that each member of the Supervisory Board will attend the Annual Meeting. Last year, each of the members of the Supervisory Board attended the Annual Meeting.

ITEM 1

ELECTION OF MEMBERS OF THE SUPERVISORY BOARD

The business and general affairs of the Company and the conduct of the business of the Company by the Management Board are supervised by the Board of Supervisory Directors (the Supervisory Board), the members of which are appointed by the general meeting of shareholders. Our Articles of Association provide for at least 6 and no more than 12 Supervisory Directors to serve on the Supervisory Board. The terms of three Supervisory Directors will expire at the date of the Annual Meeting. The Supervisory Board has determined to increase the number of Supervisory Directors from eight to nine. Under the law of The Netherlands, a Supervisory Director cannot be a member of the Management Board of the Company. The general meeting of shareholders held in 2007 appointed our wholly-owned subsidiary Chicago Bridge & Iron Company B.V. as the sole member of the Management Board.

Members of the Supervisory Board are elected to serve three-year terms, with approximately one-third of such members' terms expiring each year. The terms of the members of the Supervisory Board expire at the general meeting of shareholders held in the third year following their election, but supervisory directors whose terms of office expire may be re-elected. The term of office of a member of the Supervisory Board expires automatically on the date of the annual general meeting of shareholders in the year in which the director attains the age of 72; a director whose term expires for this reason may not be re-elected.

As permitted under Dutch law and our Articles of Association, the Supervisory Board is authorized to make binding nominations of two candidates for each open position on the Supervisory Board, with the candidate receiving the greater number of votes being elected. The binding nature of the Supervisory Board's nomination may be overridden by a vote of two-thirds of the votes cast at the meeting if such two-thirds vote constitutes more than one-half of the

issued share capital of the Company. In that case, shareholders would be free to cast their votes for persons other than those nominated below.

Four members of the Supervisory Board are to be elected who will serve until the general meeting of shareholders in 2011. For one position, the Supervisory Board has proposed the election of Mr. Neale and Mr. Reyes. For the second position, the Supervisory Board has proposed the election of Marsha C. Williams and Mr. Stricker. For the third position, the Supervisory Board has proposed the election of Dr. Jennett and Mr. Leventry. For the fourth position, the Supervisory Board has proposed the election of Mr. McVay and Mr. Bordages.

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Based on the guidelines set forth above, the Supervisory Board has determined that Messrs. McVay, Jennett and Neale and Ms. Williams do not have a material relationship with us and, if elected, would be considered as independent members of the Supervisory Board. Messrs. Bordages, Leventry, Stricker and Reyes were recommended by the Chief Executive Officer, are presently our employees and, if elected, would not be considered independent members of the Supervisory Board.

The Supervisory Board is recommending re-election of Gary L. Neale, Marsha C. Williams, and J. Charles Jennett, to the Supervisory Board, on the basis of their extensive professional knowledge and experience, particularly their knowledge of and experience with the Company and its business gained by them in connection with the outstanding services they have provided to the Company to date as Supervisory Directors. Larry D. McVay was recommended by members of the Nominating Committee for his knowledge of and experience with the oil and gas energy sector.

The Following Nominations are Made for a Three-Year Term Expiring in 2011:

First Position

First Nominee

GARY L. NEALE, 68, has served as a Supervisory Director of the Company since 1997 and is Chairman of the Corporate Governance Committee and a member of the Organization and Compensation Committee. Mr. Neale served as Chairman of the Board and Chief Executive Officer of NiSource, Inc., whose primary business is distributing electricity and gas through utility companies. Mr. Neale served as Chief Executive Officer of NiSource, Inc. from 1993 to 2005 and as Chairman of the Board to 2006. He has also served as a director of Northern Indiana Public Service Company since 1989, and as a director of Modine Manufacturing Company (heat transfer products) since 1977.

Second Nominee

LUCIANO REYES, 37, has served as Vice President and Treasurer since February 2006 and previously held positions of increasing responsibility in CB&I's Treasury Department since joining the company in 1998. Prior to joining CB&I, Mr. Reyes held financial positions with USG and with several financial institutions.

Second Position

First Nominee

MARSHA C. WILLIAMS, 57, has served as a Supervisory Director of the Company since 1997. She is Chairman of the Audit Committee and is a member of the Corporate Governance Committee and the Organization and Compensation Committee. Ms. Williams currently serves as Senior Vice President and Chief Financial Officer of Orbitz Worldwide, a position she has held since 2007. From 2002 to 2007, she served as Executive Vice President and Chief Financial Officer of Equity Office Properties Trust, a public real estate investment trust. She served as Chief Administrative Officer of Crate & Barrel from 1998 to 2002, and as Treasurer of Amoco Corporation from 1993 to 1998. Ms. Williams is a director of Selected Funds, Davis Funds and Modine Manufacturing Company, Inc.

Second Nominee

TRAVIS L. STRICKER, 37, has served as Corporate Controller and Chief Accounting Officer since June 2006. He joined CB&I in 2001 and served most recently as Assistant Controller. Previously, he held numerous finance and accounting positions with PDM and PricewaterhouseCoopers LLP.

Third Position

First Nominee

J. CHARLES JENNETT, 67, has served as a Supervisory Director of the Company since 1997. He is a member of the Supervisory Board's Nominating Committee, Organization and Compensation Committee and Corporate Governance Committee. Dr. Jennett served as President of Texas A&M International University from

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1996 to 2001. Upon his retirement in 2001, he was bestowed the title of President Emeritus. From 1992 to 1996, he was Provost and Vice President of Academic Affairs at Clemson University. Dr. Jennett currently serves as a private engineering consultant.

Second Nominee

SAMUEL C. LEVENTRY, 58, has served as Vice President-Technology Services since January 2001. Prior to that, he was Vice President-Engineering from April 1997 to January 2001. Mr. Leventry has been employed by CB&I for over 37 years in various engineering positions.

Fourth Position

First Nominee

LARRY D. MCVAY, 60, has served as Managing Director of Edgewater Energy Partners, LLC since 2007. Prior to becoming Managing Director with Edgewater Energy Partners, Mr. McVay worked in various Engineering, Management and Leadership positions with British Petroleum both domestically and internationally until his retirement from British Petroleum with 38 years of service. Mr. McVay also serves as a director and audit committee member for Callon Petroleum Company and Praxair, Inc.

Second Nominee

DAVID P. BORDAGES, 57, has served as Vice President Human Resources and Administration since 2002. Previously, he was Vice President Human Resources at Fluor Corporation from 1989 to 2002.

THE SUPERVISORY BOARD RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE ELECTION OF MESSRS. NEALE, JENNETT, MCVAY AND MS. WILLIAMS.

Certain information with respect to the Supervisory Directors whose terms do not expire this year is as follows:

Supervisory Directors to Continue in Office with Terms Expiring in 2010:

MICHAEL L. UNDERWOOD, 63, has served as a Supervisory Director since 2007 and is a member of the Audit Committee and the Corporate Governance Committee. Mr. Underwood worked the majority of his 35-year career in public accounting for Arthur Andersen LLP, where he was a partner. He moved to Deloitte & Touche LLP as a director in 2002, retiring in 2003. He is currently a director and Chairman of the Audit Committee of Dresser-Rand Group.

JERRY H. BALLENGEE, 70, has served as non-executive Chairman of the Supervisory Board since 2006 and as a Supervisory Director of the Company since 1997. He is Chairman of both the Nominating Committee and the Strategic Initiatives Committee and is a member of the Corporate Governance Committee. Mr. Ballengee served as Chairman of the Board of Morris Material Handling Company from 2001 to 2006. He served as President and Chief Operating Officer of Union Camp Corporation from 1994 to 1999, and as a member of the Board of Directors of that company from 1988 until 1999. Prior, he held various other executive positions.

Supervisory Directors to Continue in Office with Terms Expiring in 2009:

PHILIP K. ASHERMAN, 57, has been President and Chief Executive Officer of CB&I since 2006 and a Managing Director since 2004. He joined CB&I in 2001 and from August 2001 to February 2006 he served as our Executive

Vice President and Chief Marketing Officer and from May 2001 to July 2001 served as Vice President-Strategic Sales, Eastern Hemisphere. Prior to joining CB&I, Mr. Asherman served as Senior Vice President of Fluor Global Services and held other executive positions with Fluor Daniel, Inc. operating subsidiaries, including president of its mining and minerals operating group and president of an industrial operating group. He previously held a number of regional executive positions in Europe, South America and Asia.

L. RICHARD FLURY, 60, has served as a Supervisory Director of the Company since 2003, and as a consultant to the Supervisory Board since 2002. He is a member of the Audit Committee, the Corporate Governance

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Committee, the Nominating Committee and the Strategic Initiatives Committee. Previously, Mr. Flury served as Chief Executive, Gas and Power for BP plc from 1998 until his retirement in 2001. He served as Executive Vice President of Amoco, responsible for managing the Exploration and Production sector, from 1996 to 1998. Prior, he served in various other executive capacities with Amoco since 1988. Mr. Flury is also a director of Questar Corporation and Callon Petroleum Corporation.

VINCENT L. KONTNY, 70, has served as a Supervisory Director of the Company since 1997 and is Chairman of the Supervisory Board's Organization and Compensation Committee and is a member of the Audit Committee, the Corporate Governance Committee and the Strategic Initiatives Committee. Mr. Kontny is retired from Washington Group International, where he served as Chief Operating Officer from 2000 to 2001. (Washington Group International filed a petition under Chapter 11 of the U.S. Bankruptcy Code in May 2001). Mr. Kontny was President and Chief Operating Officer of Fluor Corporation from 1990 until 1994, and has been the owner and CEO of the Double Shoe Cattle Company since 1992.

COMMON STOCK OWNERSHIP BY CERTAIN PERSONS AND MANAGEMENT**Security Ownership of Certain Beneficial Owners**

The following table sets forth certain information with respect to each person (including any group as that term is used in Section 13(d)(3) of the Exchange Act) known to us to be the beneficial owner of more than 5% of our issued common shares (based on 97,065,856 shares outstanding as of March 20, 2008).

| Name and Address of Beneficial Owner | Common Stock; Euro .01 par value Amount and Nature of Beneficial Ownership | Percent of Class |
|---|---|-----------------------------|
| FMR LLC and Edward C. Johnson 3d(1) 82 Devonshire Street Boston, MA 02109 | 14,486,770 | 14.92% |
| Neuberger Berman Inc.(2) 605 Third Ave. New York, NY 10158 | 6,939,696 | 7.15% |

(1) Information derived from a Schedule 13G filed February 14, 2008 by FMR LLC reporting beneficial ownership of FMR LLC (f/k/a FMR Corp.) and Mr. Edward C. Johnson 3d, FMR LLC's Chairman, as of December 31, 2007. The shares are beneficially owned by the following direct or indirect wholly-owned subsidiaries of FMR LLC: (i) Fidelity Management & Research Company (12,812,610 shares), (ii) Pyramis Global Advisors Trust Company (1,241,160 shares), and (iii) Pyramis Global Advisors, LLC (430,000 shares); and by Fidelity International Limited (3,000 shares), an entity of which Edward C. Johnson 3d is Chairman and in which his family owns an indirect interest. FMR LLC and Mr. Edward C. Johnson 3d have sole dispositive power as to all of the shares reported, and FMR LLC has sole voting power as to 1,517,560 shares.

(2) Information derived from a Schedule 13G filed February 13, 2008 by Neuberger Berman Inc.; Neuberger Berman, Inc., the parent of Neuberger Berman, LLC, has sole voting power with respect to 2,251,680 of these shares, shared voting power with respect to 4,022,106 of these shares and shared dispositive power with respect to 6,939,696 of these shares. Neuberger Berman, LLC has shared power to make decisions whether to retain or dispose of, and in some cases the sole power to vote, the securities of many unrelated clients. Neuberger

Berman, LLC does not, however, have any economic interest in the securities of those clients. With regard to the 4,022,106 shares with respect to which there is shared voting power, Neuberger Berman, LLC and Neuberger Berman Management Inc. are deemed to be beneficial owners.

Executive Officers

PHILIP K. ASHERMAN, 57, has been President and Chief Executive Officer of CB&I since 2006 and a Managing Director since 2004. He joined CB&I in 2001 and from August 2001 to February 2006 he served as our Executive Vice President and Chief Marketing Officer and from May 2001 to July 2001 served as Vice President-Strategic Sales, Eastern Hemisphere. Prior to joining CB&I, Mr. Asherman served as Senior Vice President of Fluor

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Global Services and held other executive positions with Fluor Daniel, Inc. operating subsidiaries, including president of its mining and minerals operating group and president of an industrial operating group. He previously held a number of regional executive positions in Europe, South America and Asia.

BETH A. BAILEY, 56, was promoted to Executive Vice President-Chief Information Officer in 2007, previously serving as Senior Vice President-Information Technology since 2006. Ms. Bailey joined CB&I in 1972, serving in positions of increasing responsibility.

RONALD A. BALLSCHMIEDE, 52, has served as Executive Vice President and Chief Financial Officer since 2006. Prior to joining CB&I, he was a partner with Deloitte & Touche LLP since 2002. Previously, he worked for Arthur Andersen LLP from 1977 to 2002, becoming a partner in 1989.

RONALD E. BLUM, 58, has served as Executive Vice President – Global Business Development since 2006. Previously, he served as Vice President – Global LNG Sales from 2004 to 2006. Prior to that time, he held a series of positions with increasing responsibility at CB&I and PDM Engineered Construction.

JAMES E. BOLLWEG, 55, was promoted to Executive Vice President – Project Operations in 2008. Previously, he served as President, CBI Services, the Company’s union subsidiary. Mr. Bollweg joined the company in 1975 and has since served in a variety of managerial positions both internationally and in the U.S.

DAVID P. BORDAGES, 57, has served as Vice President – Human Resources and Administration since 2002. Previously, he was Vice President – Human Resources at Fluor Corporation from 1989 to 2002.

DAVID A. DELMAN, 46, has served as Chief Legal Officer, General Counsel and Secretary for CB&I’s Supervisory Board of Directors since 2007. Previously, he was a partner in the international law firm of Pepe & Hazard LLC, specializing in engineering and construction industry issues. From 1992 to 2000, Mr. Delman worked for Fluor Corporation, serving as associate general counsel from 1996.

DANIEL M. McCARTHY, 56, has served as Executive Vice President – Lummus Technology since 2007 when he joined CB&I as part of the Lummus acquisition. Prior to that, he was an Executive Vice President of Lummus. He has held various management positions within the technology businesses of Lummus since its inception in 1987, assuming senior management responsibility for the business in 2004 and for the Lummus Houston EPC Execution Center in 2006.

EDGAR C. RAY, 47, has served as Executive Vice President-Corporate Planning since 2007. He joined CB&I in 2003, serving as Senior Vice President-Global Marketing until 2007. Prior to joining CB&I, Mr. Ray was Executive Director of Strategy and Marketing for Fluor Corporation.

JOHN W. REDMON, 59, has served as Executive Vice President – Operations since 2006. Previously, he led CB&I’s Risk Management group overseeing CB&I’s Project Controls, Procurement, Estimating, and Health, Safety and Environment groups. He served as Executive Vice President of BE&K, Inc. from 1998 to 2006 and Chief Operating Officer of that company from 1999 to 2006. Mr. Redmon began working for Brown & Root, Inc. in 1968 where he served in various positions of increasing responsibility, culminating in the position of Executive Vice President and Chief Operating Officer.

Table of Contents**Security Ownership of Our Management**

The following table sets forth certain information regarding common shares beneficially owned on March 19, 2008 by each Supervisory Director and each nominee to be a Supervisory Director, current named executive officers and by all directors and executive officers as a group.

| Name of Beneficial Owner | Amount and Nature of Beneficial Ownership(1) | Percentage of Shares Owned |
|---|--|----------------------------|
| Philip K. Asherman | 257,967 | * |
| Beth A. Bailey | 72,637 | * |
| Jerry H. Ballengee | 75,803 | * |
| Ronald A. Ballschmiede | 71,342 | * |
| Ronald E. Blum | 50,281 | * |
| James E. Bollweg | 59,128 | * |
| David P. Bordages | 75,541 | * |
| David A. Delman | 12,423 | * |
| L. Richard Flury | 28,126 | * |
| J. Charles Jennett | 51,800 | * |
| Vincent L. Kontny | 26,000 | * |
| Samuel C. Leventry | 11,741 | * |
| Larry D. McVay | | * |
| Gary L. Neale | 42,650 | * |
| E. Chip Ray | 23,309 | * |
| John W. Redmon | 57,267 | * |
| Luciano Reyes | 5,893 | * |
| Travis Stricker | 8,618 | * |
| Marsha C. Williams | 41,449 | * |
| Michael L. Underwood | 4,400 | * |
| All directors and executive officers as a group (15) in number) | 976,375 | 0.95% |

* Beneficially owns less than one percent of our outstanding common shares.

(1) Shares deemed beneficially owned include (i) shares held by immediate family members, (ii) shares that can be acquired through stock options exercised through May 8, 2008, and (iii) shares subject to a vesting schedule, forfeiture risk and other restriction, including restricted share units for which the participant has voting rights on the underlying shares.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our Supervisory Directors, executive officers and persons who own more than 10% of our common shares to file initial reports of ownership and reports of changes in ownership of common shares (Forms 3, 4 and 5) with the SEC and the New York Stock Exchange. All such persons are required by SEC regulation to furnish us with copies of all such forms that they file.

To our knowledge, based solely on our review of the copies of such reports received by us and on written representations by certain reporting persons that no reports on Form 5 were required, we believe that during the year

ended December 31, 2007, our Supervisory Directors, executive officers and 10% shareholders complied with all Section 16(a) requirements applicable to them.

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This Compensation Discussion and Analysis (CD&A) is provided to assist our shareholders in understanding the compensation awarded, earned by, or paid to, the Company's named executive officers during 2007. In addition, the CD&A is intended to put into perspective for our shareholders the compensation tables on pages 23 through 28 and the narrative information that accompanies them.

The first part of this discussion describes the primary objectives of our compensation programs and what they are designed to reward. Following that, we describe the key elements of our compensation and why we have selected those elements of compensation. Finally, we describe how we determine the form and amount of each compensation element to meet our compensation objectives and support our business strategy.

Compensation Objectives, Process and Peer Group

Objectives. We are committed to increasing shareholder value by profitably growing our business in the global marketplace. Our compensation policies and practices are intended to support this commitment by attracting and retaining employees who can manage this growth and rewarding them for profitably growing the Company and achieving the Company's other short and long-term business objectives. We especially want to focus our executive officers (and the others in our management team) on improved financial performance.

We must compete with a wide variety of construction, engineering, heavy industrial and related firms in order to engage, develop and retain a pool of talented employees, who are in increasingly short supply given current overall growth in our industry. To meet this competition, we compensate our executive officers at competitive pay levels while emphasizing performance-based compensation. Our specific objectives are to have:

Programs that will attract new talent and retain key people at reasonable cost to us;

A significant focus on pay for performance;

Equity compensation and ownership requirements for top managers to motivate value creation for all shareholders;

Incentives that emphasize our business strategy of high growth and strong execution; and

Compensation arrangements that can be easily understood by our employees and shareholders.

Setting Our Executive Compensation. The decisions on compensation for our executive officers are made by the Organization & Compensation Committee (O&C Committee) of our Supervisory Board. Our management makes recommendations to the O&C Committee on compensation for executive officers' base salary, target bonus, and the metrics and targets of long-term equity awards. These include recommendations by our CEO on the compensation of his direct reports (generally the named executive officers). The O&C Committee considers these recommendations in executive session and can approve or modify those recommendations. The O&C Committee then determines the compensation for our CEO and the named executive officers. As part of this process, the O&C Committee regularly receives advice and recommendations from a compensation consulting firm, Hewitt, whose services the Committee retains directly.

At the O&C Committee's request Hewitt evaluates our compensation practices and assists in developing and implementing our executive compensation program and philosophy. Hewitt reviews our total compensation pay levels and design practices regularly and offers their comments on our comparator companies, benchmarks and how our compensation programs are actually succeeding in meeting our objectives. Hewitt representatives are present at selected O & C Committee meetings, including executive sessions, to discuss executive compensation matters. Hewitt makes recommendations to the O & C Committee at its request, independently of management, on executive compensation generally and on the individual compensation of executive officers.

The O&C Committee normally determines base salary and annual bonus target for executive officers annually at its regularly scheduled December meeting, to go into effect the following January 1. The O&C Committee normally determines annual bonus amounts earned for the previous year and long-term equity awards and relevant

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performance expectations for the current year for executive officers annually at its regularly scheduled February meeting. The O&C Committee may set salary and grant bonus and equity awards for executive officers at other times to reflect promotions and new hires.

Our Targets and Benchmarks. We set each of base salary, annual bonus target and long-term incentives separately in light of our evaluation of the competitive situation, the executive officer's performance and experience, and the levels of those compensation elements at a peer group of companies. That process determines the mix of base salary, annual bonus and long-term incentives for each of our executives. It also determines the mix of cash and stock compensation, since we regularly pay base compensation and annual bonus in cash, and we regularly pay long-term incentives in stock, to align our executives' interests with those of our shareholders. We then tally the resulting total compensation (including benefits) to confirm that it is appropriate for the position or make adjustments accordingly.

Our policy is to target executive officers' base salary and annual bonus to be at about the size-adjusted median (50th percentile) level of our comparator companies (described just below). Because of our focus on equity-based compensation to align our executive officers' interests with those of our shareholders, our general policy is to target long-term incentive compensation at about the 60th percentile of our comparator companies.

We also review our benefit package, and consider the practices of comparable companies for specific types of benefits. Data provided by Hewitt indicates that the nature and value of the benefits we provide are competitive with those offered by our comparator companies and in some instances moderately above those offered within our industry.

Our Comparator Companies. We compare our compensation practices for our senior management, including the executive officers named in the Summary Compensation Table (named executive officers or NEOs), to other public companies that have national and international business operations by using competitive market data provided by Hewitt. A majority of these companies are our direct competitors in the engineering, procurement and construction field. Some others of these companies are similar-size manufacturing and service companies operating in the same geographic areas and competing for management employees in the same areas of expertise as we do. At companies larger than our own, we look at the compensation provided to officers in charge of divisions or operations similar in size and business to us. Hewitt's competitive market data for the comparator companies is subject to a regression analysis that adjusts that data to the size of our Company and the financial scope of our executives' responsibilities.

The O&C Committee reviews and approves the selection of comparator companies based on their size, business, and presence in our geographic area. The list of comparator companies that we use may change from year to year based on Hewitt's recommendations and our O&C Committee's evaluation of those factors. For 2007, we used the following comparator companies:

| | |
|-----------------------------|----------------------------|
| BJ Services Co. | McDermott Intl Inc. |
| Cameron International Corp. | Noble Energy Inc. |
| Cooper Industries Ltd. | Perini Corp. |
| Donalson Co. Inc. | Peter Kiewit |
| Emcor Group Inc. | Quanta Services Inc. |
| Flowsolve Corp. | Shaw Group Inc. |
| Fluor Corp. | Stanley Works |
| FMC Technologies Inc. | Texas Industries Inc. |
| Foster Wheeler Ltd. | URS Corp. |
| Granite Construction Inc. | USG Corp. |
| Jacobs Engineering Group | Vulcan Materials Co. |
| KBR Inc. | Washington Group Intl Inc. |

Kennametal Inc.
Martin Marietta Materials

Worthington Industries

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Elements of Our Compensation

The four key elements of our executive officers' compensation are:

Base salary

Annual bonus

Long-term incentive compensation

Benefits

This section describes the general features of each of these elements. We cover later in this CD&A why we provide each element of compensation and the form we pay it in and how we determine the amount we pay.

Base Salary

Base salaries provide an underlying level of compensation security to executives and allow us to attract competent executive talent and maintain a stable management team. Base salaries reflect the executive's position and role, with some variation for individual factors such as experience and performance. Base salary increases allow executives to be rewarded for individual performance and increased experience based on our evaluation process (described later). Base salary increases for individual performance also reward executives for achieving goals that may not be immediately evident in common financial measurements.

Annual Bonus

Performance-Based Annual Bonus. Bonuses give our executives an increased cash compensation opportunity. They reward our executives for meeting target short-term (annual) personal performance metrics and corporate goals. Executive officers' bonus opportunity recognizes their senior-level responsibilities and duties and the competitive environment in which we must recruit and retain our senior management.

Our Incentive Compensation Plan (the "Bonus Plan") sets the terms for awarding bonuses to our executive officers (and other management employees). We revised our Bonus Plan in 2005 and our shareholders approved the amended Bonus Plan at our 2005 annual meeting. Our performance-based annual bonus amounts depend on the Company's performance against predetermined target objectives, which are discussed below. We set these targets annually at the regularly scheduled February meeting of our O&C Committee. We describe in more detail below the applicable performance measures and goals for fiscal year awards and why these performance measures and goals are chosen. Bonuses can be earned for each year and are payable after the end of the year.

Fixed or Discretionary Bonus. In addition to performance-based bonuses, we can pay fixed or discretionary bonuses and we may on occasion pay pre-established minimum bonuses. We do this when we need to compensate newly-hired executive officers for forfeiture of bonuses (or other awards) from their prior employer when they join the Company, or to provide a minimum bonus for an executive officer's first year of employment before his or her efforts (which are what we want to reward) are fully reflected in Company performance, or in some circumstances to encourage retention.

Long-Term Incentive Compensation

Because of our focus on pay for performance, various forms of other incentive compensation are major elements of pay for our executive officers.

Long-Term Incentive Plan. We grant equity awards for our senior managers (including our executive officers) under our 1999 Long-Term Incentive Plan (our "LTIP"). We revised our 1999 Long-Term Incentive Plan in 2005 and our shareholders approved the amended plan at our 2005 annual meeting on May 13, 2005. (We also have a substantially identical 1997 Long-Term Incentive Plan.) The LTIP allows us to award long-term compensation in the form of:

Non-qualified options to purchase shares of Company common stock

Qualified incentive stock options to purchase shares of Company common stock

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Restricted stock shares

Restricted stock units

Performance shares paying out a variable number of shares depending on goal achievement

Performance units which involve cash payments based on either the value of the shares or appreciation in the price of the shares upon achievement of specific goals

We cover later in this CD&A how competitive recruiting conditions and the business cycle affect which form of award is granted and the amount of the award.

Options General. Stock options represent the opportunity to purchase shares of our stock at a fixed price at a future date. Our LTIP requires that the per-share exercise price of our options not be less than the fair market value of a share on the date of grant. (See the discussion on page 21 below regarding how we determine fair market value.) This means that our stock options have value for our executives only if the stock price appreciates from the date the options are granted. This design focuses our executives on increasing the value of our stock over the long term, consistent with shareholders' interests.

Although our LTIP allows us to grant incentive stock options, all the options we have granted have been non-qualified options.

Retention Options. In order to give our senior managers (including our executive officers) an incentive to retain vested shares from prior restricted stock or performance share grants, we grant nonqualified stock options (retention options) upon the vesting of performance shares or restricted stock. The retention options become vested and exercisable on the seventh anniversary of date of grant. However, this vesting and exercisability is accelerated to the third anniversary of date of grant if the individual still retains ownership of the shares that vested (apart from shares withheld for taxes or interfamily financial planning transfers) in connection with the related performance share or restricted stock award.

Retention options cover 40% of the number of shares that vest under such grants. This percentage is intended to make the retention option grant significant enough to motivate the retention of the underlying restricted stock or performance shares. It also approximates the percentage of restricted stock or performance shares that are withheld on vesting to pay income taxes.

Performance Shares. Performance shares are an award of a variable number of shares. The number of performance shares actually earned and issued to the individual depends on Company performance in meeting prescribed goals over a defined period. This means that performance shares are issued and the award has value only to the extent the performance goals are achieved. Performance goals serve the same objectives of creating long-term shareholder value as is the case with stock options, with an additional focus on specific financial performance metrics, usually stated as target earnings per share. In addition, performance shares may be less dilutive of shareholder interests than options of equivalent economic value. We do not pay dividend equivalents on performance shares except during the period, if any, after the shares have been earned by performance but before they are actually issued.

Although the LTIP allows us to grant performance units payable in cash, we have not done so. We believe that payment of performance shares (and indeed all of our long-term incentive compensation) in stock is desirable to give our senior managers (including our executive officers) a continued alignment with the interests of our shareholders generally.

Restricted Stock. Restricted stock represents the right of the participant to vest in shares of stock upon lapse of restrictions. Restricted stock awards are subject to forfeiture during the period of restriction. Depending on the terms of the award, restricted stock may vest over a period of time subject only to the condition that the executive remains an employee (time vesting), or may be subject to additional conditions, such as the Company meeting target performance goals (performance vesting), or both.

Restricted stock is an incentive for retention and performance of both newly hired and continuing executive officers and other key managers. Unlike options, restricted stock retains some value even if the price declines. This means restricted stock gives less of an incentive to increase the value of our stock than options do. Because restricted

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stock is based on and payable in stock, it serves, like options, to reinforce the alignment of interest between our executives and our shareholders. In addition, because restricted stock has a real, current value that is forfeited if an executive quits, it provides a significant retention incentive.

Under our LTIP, restricted stock can be either actual shares of stock issued to the participant, subject to transfer restrictions and the possibility of forfeiture until vested (restricted stock shares), or it can be a Company promise to transfer the fully vested stock in the future if and when the restrictions lapse (restricted stock units). Because of technical tax issues related to the ability to obtain a credit against the Netherlands dividends withholding tax on issued but unvested shares, we usually grant restricted stock in the form of restricted stock units.

During the restriction period, participants are normally paid cash amounts (dividend equivalents) corresponding to the time and amount of actual dividends paid on outstanding shares of common stock.

Benefits

In general, we cover executive officers under the benefit programs described below to provide them with the opportunity to save for retirement and to provide a safety net of protection against the loss of income or increase in expense that can result from termination of employment, illness, disability, or death. Apart from change-of-control arrangements, the benefits we offer to our executive officers are generally the same as those we offer to our salaried employees, with some variation based on industry practices and to replacement of benefits that are limited by regulation.

Retirement Benefits

401(k) Plan. We maintain the Chicago Bridge & Iron Savings Plan (the 401(k) Plan), a tax qualified defined contribution plan, for eligible employees, including but not limited to our executive officers. The plan offers a voluntary pretax salary deferral feature under Section 401(k) of the Internal Revenue Code (the Code); a dollar-for-dollar Company matching contribution up to 3% of a participating employee s considered earnings; a basic additional Company contribution of 5% of each participating employee s considered earnings; and an additional discretionary Company savings plan contribution. The plan allocates Company contributions to participants accounts according to the 401(k) Plan formulas. Participants can invest their accounts in any of a selection of mutual funds, plus a Company stock fund, offered under the Plan.

Excess and Deferred Compensation Plans. The Code limits tax-advantaged benefits for highly compensated employees (a category that includes all of our executive officers) under the 401(k) Plan in several ways: nondiscrimination rules that restrict their deferrals and matching contributions based on the average deferrals and matching contributions of non-highly compensated employees; limits on the total dollar amount of additional contributions for any employee; limits on the total annual amount of elective deferrals; and a limit on the considered earnings used to determine benefits under the 401(k) Plan.

We adopted the Chicago Bridge & Iron Company Excess Benefit Plan (the Excess Plan) to provide retirement benefits for our senior managers (including our executive officers) on the same basis, in proportion to pay, as we provide retirement benefits to all our salaried employees generally. Therefore, we contribute to the Excess Plan the difference between the amount that would have been contributed by the Company to the participants 401(k) Plan accounts but for the Code limitations, and the contributions by the Company actually made to their 401(k) Plan accounts. We make contributions for the Excess Plan to a so-called rabbi trust, with an independent trustee. Earnings on these contributions are determined by participants designation of investment funds from the same group of funds (other than the Company stock fund) that is available under the 401(k) Plan. We fund the rabbi trust currently to ensure that funds will be available to meet the Company s obligations, to facilitate the administration of participants investment

selections, and to hedge our exposure to increases in our obligations resulting from participants' investment selections.

In addition to the Excess Plan we have a Chicago Bridge & Iron Deferred Compensation Plan (the "Deferred Compensation Plan"). This allows our senior managers (including our executive officers) to defer part of their salary and part or all of their bonus. These deferrals are paid upon retirement or other termination of employment or other scheduled events as elected by the participant. These deferrals are also held in a rabbi trust (the "Rabbi Trust").

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Earnings on these deferrals are determined by participants' designation of investment funds from the same group of funds (other than the Company stock fund) that are available under the 401(k) Plan and the Excess Plan.

We do not have any defined benefit or actuarial arrangements for our executive officers or any other U.S. salaried employees.

Severance and Change-Of-Control Benefits.

We have change-of-control severance agreements with certain of our named executive officers and other executive officers. These agreements are intended to assure the retention and performance of executives if a change of control of the Company is pending or threatened. These agreements are designed to reduce the distraction of our executive officers that might otherwise arise from the personal uncertainties caused by a change of control, to encourage the executive's full attention and dedication to the Company, and to provide the executive with compensation and benefits following a change of control that are consistent with general industry best practices. We describe these agreements in more detail beginning on page 29. Here are some of their key features:

These agreements provide some benefits solely upon a change of control and other benefits only when there is both a change of control and a specified type of termination of employment within three years after the change. Upon a change of control, the executive will be entitled to preservation of salary, bonus, retirement, welfare and fringe benefits for a three-year period at levels not less than those in effect before the change of control. Also, the executive will generally be entitled to receive a payment of minimum pro-rata target bonus, immediate vesting of unvested stock options, performance shares, and restricted stock, and an immediate lump sum cash payment of the value of all performance units as if target performance goals were achieved. These benefits assure executives of minimum compensation if they remain employees after a change in control, and also reflect the fact that pre-change performance metrics and targets for equity vesting may no longer be appropriate or meaningful after a change in control.

Upon the executive's termination of employment by the Company without cause, or by the executive with good reason within three years following a change of control, these agreements entitle the executive to a lump sum payment of three times the sum of his annual base salary plus target bonus. The executive will also be entitled to a continuation of medical and other benefits for a three-year period after termination of employment, payment of certain deferred compensation (to the extent not paid upon the change of control), vesting and payment of unvested plan benefits, and Company-provided outplacement services. The agreements also provide that the Company will pay an amount necessary to reimburse each employee, on an after-tax basis, for any excise tax due under Section 4999 of the Code as a result of such payment being treated as a parachute payment under Section 280G of the Code.

The agreements generally define a change of control as:

The acquisition by any person or group of 25% or more of the beneficial interest in the equity of the Company;

Failure of the current Supervisory Board (and members nominated by at least 75% of the then-current Supervisory Board members) to comprise at least 50% of the Supervisory Board;

Supervisory Board or shareholder approval of a merger or reorganization or consolidation resulting in less than 75% continuing ownership by the pre-merger shareholders; or

Supervisory Board or shareholder approval of a transaction by which the parent Company disposes of its operating companies.

We use a 25% threshold to define a change of control because in a Company like ours where stock ownership is fairly widely distributed, a single person (or group) owning 25% of the stock can exercise in practice a disproportionate control over its management and policies.

Depending on the circumstances we also sometimes enter into specific separation agreements with executive officers (or others) who leave the Company. Separation payments for our named executive officers who left the Company in 2006 are described in connection with the schedule of termination payments on pages 32 to 34.

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Employee Stock Purchase Plan.

The Company's predecessor historically maintained an employee stock purchase plan intended to qualify under Section 423 of the Code. The Company adopted a successor employee stock purchase plan (the "Stock Purchase Plan") just after its initial public offering in 1997 to give our employees the opportunity to buy Company stock in a tax-effective manner and thus to help align their interests with those of our shareholders generally. Under the Stock Purchase Plan, employees, including executive officers, electing to participate are granted an option to purchase shares on a specified future date. The purchase price is 85% of the fair market value of such shares on the date of purchase. During specified periods preceding the purchase date, each participating employee can designate up to 8% of after-tax pay (up to a limit of \$25,000 per calendar year) to be withheld and used to purchase as many shares as such funds allow at the discounted purchase price.

Other Benefits.

Our executive officers receive other benefits that we provide to our salaried employees generally. These are:

- Medical benefits (including post-retirement medical benefits for employees who retire);
- Group term life insurance; and
- Short-term and long-term disability protection.

We also provide miscellaneous personal benefits to certain executive officers. These include:

- Leased automobiles, which facilitate our executive officers' travel on company business;
- Country club dues, where the club enhances our executive officers' opportunities to meet and network with prospective customers and other business leaders;
- Annual physical examinations, to help keep our executive officers and their spouses healthy;
- Tax and estate planning services, so that our executive officers get the most after-tax value from their compensation and can effectively plan for retirement; and
- Travel and temporary housing expenses for executives while they relocate to Texas.

In addition, we have given Messrs. Asherman, Ballschmiede and Bordages an additional five years of service credit toward early retirement eligibility (which is generally attaining age 55 with 10 years of service). Termination of employment by retirement entitles our officers, including our executive officers, to post-retirement medical benefits under our current plan and, subject to the schedule set forth in the particular award and/or approval of the O&C Committee, to vesting in time-vested equity awards plus an extended time to exercise stock options. Messrs. Asherman, Ballschmiede and Bordages joined us relatively late in their careers. This means that they lost potential retirement benefits for which they might have become eligible from their prior employers, but might not have 10 years of service with the Company at the time they or the Company might want to terminate their employment. The additional service credit is intended to place them in the approximately the same position for retirement benefit eligibility as peer executive officers of the same general age.

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**DETERMINING THE FORM AND AMOUNT OF COMPENSATION ELEMENTS TO MEET OUR
COMPENSATION OBJECTIVES**

Setting Base Salaries

We target base salaries for our senior managers, including our executive officers, at the median of salaries for comparable officer positions at comparator companies. The O&C Committee sets the salaries of our executive officers above or below that target based on differences in individual performance, experience and knowledge, and our comparison of the responsibilities and importance of the position with us to the responsibilities and importance of similar positions at comparator companies. We also consider internal equity within our Company and, when reviewing salary of current officers, their current compensation from the Company.

In evaluating performance, we consider the executive's efforts in promoting our values including for example safety; continuing educational and management training; improving quality; developing strong relationships with clients, suppliers, and employees; and demonstrating leadership abilities among coworkers, among other goals.

Setting Bonuses

Annual Incentive Bonuses. For executive officers, the performance targets or measures for annual incentive bonuses are usually set and communicated to the executives in February of each year, based on our annual operating plan, after discussion and analysis of the business plans within our principal operating subsidiaries. Payment of bonuses is based on attaining specific corporate-wide financial and/or non-financial goals approved by the O&C Committee. For 2007, for named executive officers, a target bonus amount was established for each executive as a percentage of his base salary. For Mr. Asherman, this amount was 90% of base salary. This target is determined after consideration of target bonuses among our comparator companies so as to be at about the median (50th percentile) level. A percentage ranging from 20% (threshold or minimum) through 150% (target) to 200% (maximum) of this amount (with interpolation) is payable based on the Company's attainment of threshold (minimum), target, or maximum results on the financial performance measure selected by the O&C Committee. For 2007, the performance measure for all our executive officers was earnings per share (after tax, on a fully diluted basis), with goals of \$0.70 per share for threshold performance, \$1.40 for target performance, and \$1.75 for maximum performance. These targets for 2007 were achieved at a level of \$1.71 per share.

Discretion. Our O&C Committee may reduce, but not increase, bonuses notwithstanding the achievement of specific performance targets. It exercised this discretion for 2007 bonuses when approving payments in February, 2008. In deciding whether or not to reduce bonuses and in what amount, the O&C Committee considers the Company's performance in backlog, free cash flow, ethics, and safety, the relation of executive officer bonuses to bonuses for our management employees generally, and our executive officers' individual performance in light of individual goals and objectives.

Setting Long-Term Incentive Awards

Our Objectives. In keeping with our commitment to provide a total compensation package that favors equity components of pay, long-term incentives traditionally have comprised a significant portion of an executive's total compensation package. Our objective is to provide executives with long-term incentive award opportunities that are at about the 60th percentile of our comparator companies, with the actual realization of the opportunity dependent on the degree of achieving the financial performance or other conditions of the award and the creation of long-term value for shareholders.

Our Procedures. We generally make our long-term incentive awards at the regularly scheduled meeting of our O&C Committee in February of each year. By this time, we normally have our results for the last year and our annual operating plan for the current year and we are able to set targets and goals for the current year for any performance based-awards we may grant. Making our long-term incentive awards early in the year lets our executives know what the criteria are for any performance-based long-term incentive awards so they can keep those goals in mind going forward.

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Selecting the Type of Award(s). Until 2003, our primary long-term incentives were nonqualified stock option grants. In 2003, we began to reconsider the equity compensation policies in light of the pending changes in accounting principles for options and the dilutive effect of option grants. We began to transition from stock option grants to performance share grants and restricted stock units. The transition to full value shares is intended to maintain our emphasis on creating long-term shareholder value, reduce shareholder dilution, effectively manage the financial cost of equity incentives, provide targeted performance incentives (through performance shares) in lieu of the specific incentive to increase share value provided by options, and provide appropriate retention incentives (in the case of restricted stock). The actual choice among options, performance shares and restricted stock depends on business conditions and the competitive market for executive talent. These are subject to change from year to year, and consequently so is the form of our long-term equity awards.

In 2007 long-term incentive grants therefore took the form of restricted stock grants vesting 25% per year over a four-year period and performance shares vesting 33 1/3% per year over a three-year period provided performance targets are met. This was structured to provide a strong retention incentive while giving management both downside risk and upside potential respecting their awards. The performance share targets are based on earnings per share goals taken directly from our corporate business plan. We expect these goals to be achieved. For performance shares granted in 2005 and 2007 (none were granted in 2006), earnings per share goals for 2007 were achieved at the maximum level.

Determining the Amount of Award(s). When awarding long-term incentives, we consider each executive officer's levels of responsibility, prior experience, historical award data, various performance criteria and compensation practices at our comparator companies. Applying these factors to our benchmark gives us a target dollar value for executive officer long-term incentive awards. These awards are recommended and approved in the form of this target dollar value. Upon approval of this value and the vehicle for the award by our O&C Committee, this dollar value is converted into a number of shares (or options, depending on the form of the award) based on the closing price of the Company's stock on the date of the O&C Committee meeting which approves the award. This conversion is made through a pricing model developed and applied in consultation with Hewitt. It gives us a number of shares (or options), subject to rounding, that makes the fair market value of the award equal to the approved dollar amount.

The pricing model we use for this conversion is a Black-Scholes model for stock options, or similar pricing model for other types of awards. The model and the assumptions for the model may differ from those used to determine the value of the award for financial reporting purposes (which is the value reported in the tables on pages 23 through 28 and in our financial statements). For our grants of restricted stock on February 22, 2007, taking into account the advice of our compensation consultants, we applied an economic value of \$27.55/share to convert the dollar amount of the pro forma awards to stock. This was derived by discounting the grant date closing price of \$30.48/share to reflect the risk of forfeiture. For our grants of performance shares on February 22, 2007, taking into account the advice of our compensation consultants, we applied an economic value of \$24.63/share to convert the dollar amount of the pro forma awards to stock. The specific grants for our named executive officers are shown in the Grants of Plan-Based Awards Table, giving the value in dollars without considering the risk of forfeiture and the number of shares.

Determining Option Timing and Exercise Price. As discussed above, our LTIP requires that the exercise price for any option must be at least equal to 100% of the fair market value of a share on the date the option is granted. It specifies that the date an option is granted is the day on which the O&C Committee acts to award a specific number of shares to a participant at a specific exercise price. In addition, the LTIP stipulates that fair market value is the closing sale price of shares of Company common stock on the principal securities exchange on which they are traded. We follow these requirements in setting the exercise price, which is therefore the grant date closing price.

In the case of retention options, the exercise price was set automatically at the fair market value (closing price) of the stock on the date the retention option is automatically granted, which is the date that the related restricted stock or performance shares vest, which in turn is normally an anniversary of the date the restricted stock was originally

granted or the performance shares were earned.

Table of Contents**Other Matters**

Adjustment or Recovery of Payments. We adopted a formal policy for recovering, at the direction of the O&C Committee in its sole discretion, all or any portion of incentive payments (or in the case of a stock award, the value realized by sale of the stock) that are negatively affected by any restatement of the Company's financial statements as a result of misconduct or fraud. For this purpose, misconduct or fraud includes any circumstance where the forfeiture of an award is required by law, and any other circumstance where the O&C Committee determines in its sole discretion that the individual (i) personally and knowingly engaged in practices that materially contributed to material noncompliance with any financial reporting requirement, or (ii) had knowledge of such material noncompliance or the circumstances giving rise to such noncompliance and failed to take reasonable steps to bring it to the attention of the appropriate individuals within the Company. Requirements of law include Section 304 of the Sarbanes-Oxley Act, under which, if the Company's financials must be restated as a result of misconduct, then our CEO and CFO must repay bonuses, incentive-based compensation, equity based compensation, and stock sale profits if received during the 12-month period following the initial filing of the financial statements that required restatement.

Tax, Accounting and Regulatory Considerations. We take tax, accounting, and regulatory requirements into consideration in choosing the particular elements of our compensation and in the procedures we use to set and pay those elements. As discussed above in connection with setting the type of long-term incentive awards, the financial statement presentation of options compared to other equity awards played a part in our selection of long-term equity compensation vehicles.

We want to pay compensation in the most tax-effective manner reasonably possible and therefore also take tax considerations into account. As discussed above under Elements of our Compensation, our decision to provide restricted stock in the form of restricted stock units rather than restricted stock shares is based on the interplay between Netherlands taxes and applicable tax credits.

We also consider the requirements of Sections 162(m) and 409A of the Code. Section 162(m) provides that payments of compensation in excess of \$1,000,000 annually to a covered employee (the CEO and each of the three-highest paid executive officers other than the CFO) will not be deductible for purposes of U.S. corporate income taxes unless it is performance based compensation and is paid pursuant to a plan and procedures meeting certain requirements of the Code. Our Bonus Plan and LTIP are designed in a form so that eligible payments under those plans can qualify as deductible performance-based compensation. Since we want to promote, recognize and reward performance which increases shareholder value, we rely heavily on performance-based compensation programs which will normally meet the requirements for performance-based compensation under Section 162(m). However, we may pay compensation that does not satisfy the requirements of Section 162(m) if we believe that it is in the best overall interests of the Company.

Section 409A provides that deferred compensation (including certain forms of equity awards) is subject to additional income tax and interest unless it is paid pursuant to a plan and procedures meeting certain requirements of the Code. Our Bonus Plan, LTIP, Deferred Compensation Plan, Excess Plan, and change of control severance agreements are being reviewed and revised to conform to these new requirements.

Stock Ownership Guidelines. In 2005, in consultation with Hewitt, we adopted stock ownership guidelines for our executive officers requiring that they hold certain amounts of our stock. They are:

| | |
|---------------------------|-------------------------|
| CEO | Five times base salary |
| Executive vice presidents | Three times base salary |
| Vice presidents | One times base salary |

Based on industry practice, there is a specified five-year period for our executives to meet the stock ownership targets, with periodic progress reporting to the O&C Committee.

Table of Contents**COMPENSATION COMMITTEE REPORT**

The Organization and Compensation Committee of the Supervisory Board has reviewed and discussed the Compensation Discussion and Analysis with management, and based on such review and discussions, the Organization and Compensation Committee recommended to the Supervisory Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

Vincent L. Kontny (Chairman)

Gary L. Neale

J. Charles Jennett

Marsha Williams

EXECUTIVE OFFICER COMPENSATION

The following tables summarize the total compensation paid or earned by each of the named executive officers for the year ended December 31, 2007. We have not entered into any employment agreements with any of the named executive officers.

A description of the performance-based conditions and criteria for determining amounts payable with respect to our non-equity incentive compensation plan are contained in the CD&A.

SUMMARY COMPENSATION TABLE**2007 Summary Compensation Table**

| Name & Principal | | Stock Awards | | | Non-Equity Incentive Plan Compensation | | All Other Compensation | Total (\$) |
|--|-------------|---------------------|-----------------|--------------------------|---|-----------------|-------------------------------|-------------------|
| Position | Year | Salary (\$) | (1) (\$) | Option Awards (2) | (3) (\$) | (3) (\$) | (j) | |
| (a) | (b) | (c) | (e) | (f) | (g) | (i) | | |
| Philip K. Asherman, President and Chief Executive Officer | 2007 | \$ 720,000 | \$ 2,451,029 | \$ 292,696 | \$ 1,185,840 | \$ 190,862 | \$ 4,840,427 | |
| | 2006 | \$ 551,923 | \$ 2,768,012 | \$ 88,960 | \$ 700,000 | \$ 127,993 | \$ 4,236,888 | |
| Ronald A. Ballschmiede, Executive Vice President and Chief Financial Officer | 2007 | \$ 435,001 | \$ 614,193 | \$ 16,994 | \$ 517,650 | \$ 181,125 | \$ 1,764,963 | |
| | 2006 | \$ 187,501 | \$ 130,242 | \$ | \$ 303,650 | \$ 70,279 | \$ 691,772 | |
| John W. Redmon Executive Vice President-Operations | 2007 | \$ 450,000 | \$ 561,721 | \$ 16,847 | \$ 324,450 | \$ 89,974 | \$ 1,442,992 | |
| | 2006 | \$ 322,693 | \$ 240,000 | \$ 4,818 | \$ 313,170 | \$ 40,699 | \$ 921,780 | |
| Ronald E. Blum, Executive Vice President-Global | 2007 | \$ 390,000 | \$ 567,610 | \$ 87,824 | \$ 348,660 | \$ 86,488 | \$ 1,480,582 | |
| | 2006 | \$ 308,269 | \$ 523,299 | \$ 32,536 | \$ 200,000 | \$ 90,491 | \$ 1,154,595 | |

| | | | | | | | |
|------------------------------------|------|------------|------------|-----------|------------|-----------|--------------|
| Business Development | | | | | | | |
| David P. Bordages, | 2007 | \$ 292,000 | \$ 383,015 | \$ 80,860 | \$ 175,200 | \$ 69,095 | \$ 1,000,170 |
| Vice President | 2006 | \$ 275,625 | \$ 416,518 | \$ 41,842 | \$ 162,481 | \$ 53,542 | \$ 949,918 |
| Human Resources and Administration | | | | | | | |

- (1) The amounts in column (e) reflect the dollar amount recognized for financial statement reporting purposes for the fiscal year ended December 31, 2007 and 2006, in accordance with Statement of Financial Accounting Standards No. 123(R) (FAS 123(R)) of equity awards pursuant to the Long-Term Incentive Plans, and thus include amounts from awards granted in and prior to 2007 and 2006. The amounts are calculated by multiplying the market price on the date of grant by the number of shares amortized over the vesting period.
- (2) The amounts in column (f) reflect the dollar amount recognized for financial statement reporting purposes for the fiscal year ended December 31, 2007 and 2006, in accordance with FAS 123(R) of option awards pursuant to the Long-Term Incentive Plans and thus include amounts from awards granted in and prior to 2007 and 2006. Assumptions used in the calculation of this amount are included in footnote 10 to the Company s audited financial statements for the year ended December 31, 1999 included in the Company s Annual Report on

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Form 10-K filed with the Securities and Exchange Commission (SEC) on March 28, 2000; footnote 2 to the Company s audited financial statements for the year ended December 31, 2002 included in the Company s Annual Report on Form 10-K filed with the SEC on March 21, 2003; footnote 2 to the Company s audited financial statements for the year ended December 31, 2005 filed with the SEC on June 1, 2006; footnote 12 to the Company s audited financial statements for the year ended December 31, 2006 filed with the SEC on March 1, 2007; and in footnote 13 to the Company s audited financial statements for the year ended December 31, 2007, filed with the SEC on February 27, 2008.

- (3) The compensation reported represents personal benefits, amounts paid to named executive officers in connection with their termination from the Company, contributions by us to our 401(k) Plan and Excess Plan, whether vested or unvested, and dividends paid on stock awards. Personal benefits consisted of company leased vehicles or allowances for vehicles, country and executive club membership fees, financial planning assistance and physicals for the executive and his spouse, all of which are valued at the actual cost charged to us. Personal benefits in excess of the greater of \$25,000 or 10% of the total amount of personal benefits for such executive officer, the benefit and the cost to us were: Mr. Ballschmiede, relocation, temporary housing expenses and travel while he relocates his family to Texas, including tax gross-ups for 2007, \$57,013 plus a tax gross-up of \$34,032, and for 2006, \$49,187 including tax gross-ups; and for Mr. Blum, for 2006, country club dues, \$35,326. Mr. Asherman is a member of the Supervisory Board, but receives no additional compensation for being a member of the Supervisory Board. The amount of contributions to the 401(k) Plan and Excess Plan, respectively, whether vested or unvested, contributed with respect to compensation earned in 2007 for each named executive officer are as follows: Philip K. Asherman, \$20,250, \$107,550; Ronald A. Ballschmiede, \$20,250, \$46,238; Ronald E. Blum, \$20,250, \$32,850; David P. Bordages, \$20,250, \$20,653; and John W. Redmon, \$20,250, \$48,435. Such amounts for 2006 are as follows: Philip K. Asherman, \$17,600, \$65,554; Ronald A. Ballschmiede, \$15,000, \$0; John W. Redmon, \$17,600, \$11,643; Ronald E. Blum, \$17,600, \$18,485; and David P. Bordages, \$17,600, \$17,049.

GRANTS OF PLAN-BASED AWARDS

| Grant Date (b) | Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1) | | | Estimated Future Payouts Under Equity Incentive Plan Awards(2) | | | All Other Stock Awards: Number of Shares | All Other Option Awards: Number of Securities | Exercise or Base Price of | Grant Date |
|-------------------|--|-----------------------|------------------------|---|----------------------|-----------------------|--|---|--------------------------------------|---------------|
| | Threshold (\$) (c) | Target (\$) (d) | Maximum (\$) (e) | Threshold (#) (f) | Target (#) (g) | Maximum (#) (h) | of Stock or Units (3) (i) | Under-lying Options (4) (j) | Option Awards (\$ / Sh) (k) | |
| 2/22/07 | \$ 129,600 | \$ 648,000 | \$ 1,296,000 | 24,360 | 48,721 | 97,442 | 43,557 | | | \$ |
| 2/21/07 | | | | | | | | 9,990 | \$ 30.51 | \$ |
| 2/28/07 | | | | | | | | 9,136 | \$ 29.61 | \$ |
| 2/22/07 | \$ 60,900 | \$ 304,500 | \$ 609,000 | 7,105 | 14,210 | 28,420 | 12,704 | | | \$ |

| | | | | | | | | | | | |
|---------|-----------|------------|------------|-------|--------|--------|--------|-------|----------|----------|----|
| 2/21/07 | | | | | | | | | 4,430 | \$ 30.51 | \$ |
| 2/22/07 | \$ 63,000 | \$ 315,000 | \$ 630,000 | 7,968 | 15,936 | 31,872 | 14,247 | | | | \$ |
| 2/21/07 | | | | | | | | 929 | \$ 30.51 | \$ | |
| 2/26/07 | | | | | | | | 1,500 | \$ 30.64 | \$ | |
| 5/30/07 | | | | | | | | 845 | \$ 38.74 | \$ | |
| 2/22/07 | \$ 46,800 | \$ 234,000 | \$ 468,000 | 5,075 | 10,150 | 20,300 | 9,074 | | | | \$ |
| 2/21/07 | | | | | | | | 1,394 | \$ 30.51 | \$ | |
| 2/26/07 | | | | | | | | 2,000 | \$ 30.64 | \$ | |
| 2/28/07 | | | | | | | | 2,890 | \$ 29.61 | \$ | |
| 2/22/07 | \$ 29,200 | \$ 146,000 | \$ 292,000 | 3,045 | 6,090 | 12,180 | 5,445 | | | | \$ |
| 2/21/07 | | | | | | | | 1,278 | \$ 30.51 | \$ | |
| 2/28/07 | | | | | | | | 3,356 | \$ 29.61 | \$ | |

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- (1) The amounts shown in column (c) reflect the minimum payment level for awards under our Bonus Plan which is 20% of the target amount shown in column (d). The amount shown in column (e) is 200% of such target amount. These amounts are based on the individual's current salary and position.
- (2) The amounts shown in column (f) reflect the minimum stock awards of performance shares under our Long-Term Incentive Plan which is 50% of the target award shown in column (g). The amount shown in column (h) is 200% of such target award. Performance shares vest 33 1/3% per year based on EPS targets for the preceding year on the date that EPS is released. Performance share adjustments vest immediately based on previous years EPS.
- (3) These awards are restricted stock units made under our Long-Term Incentive Plan, which vest 25% over four years on the anniversary of the grant date. Participants are paid as compensation each year an amount equal to any dividend on restricted stock units that would have been paid if the units were awarded as restricted shares of stock.
- (4) All options are retention options made under our Long-Term Incentive Plan and were granted upon the vesting of performance shares or restricted stock in an amount equal to 40% of the number of shares that vested under such awards. Each retention option vests in seven years but may vest in three years from the date of grant if the holder has held continuously until such date shares awarded as performance shares or shares granted as restricted shares or units for which restrictions have lapsed.

Table of Contents**OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END**

| Name (a) | Option Awards | | | Option Expiration Date (f) | Stock Awards | | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) (j) | |
|---------------------------|--|--|--------------------------------------|-------------------------------------|---|--|--|--|
| | Number of Underlying Unexercised Options (#) (b) | Number of Underlying Unexercised Options (#) (c) | Exercise Price (\$) (1) (e) | | Number of Shares or Units of Stock That Have Not Vested (#) (g) | Market Value of Shares or Units of Stock That Have Not Vested (\$) (h) | | Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (i) |
| Philip K. Asherman | 33,639 | | \$ 7.40 | 2/27/13 | 40,080(2) | \$ 2,422,435 | 5,600(5) | \$ 338,464 |
| | | 7,000 | \$ 11.56 | 7/01/13 | 38,851(3) | \$ 2,348,154 | 48,721(6) | \$ 2,944,697 |
| | | 3,380 | \$ 14.12 | 2/12/14 | 43,557(4) | \$ 2,632,585 | | |
| | | 7,000 | \$ 6.975 | 7/01/12 | | | | |
| | | 7,000 | \$ 13.91 | 7/01/14 | | | | |
| | | 1,126 | \$ 23.655 | 3/09/15 | | | | |
| | | 7,000 | \$ 22.91 | 7/01/15 | | | | |
| | | 9,990 | \$ 30.51 | 2/21/17 | | | | |
| | | 9,136 | \$ 29.61 | 2/28/17 | | | | |
| Ronald A. Ballschmiede | | 4,430 | \$ 30.51 | 2/21/17 | 33,225(3) 12,704(4) | \$ 2,008,119 \$ 767,830 | 14,210(6) | \$ 858,852 |
| John W. Redmon | | 1,500 | \$ 24.830 | 2/26/16 | 7,500(7) | \$ 453,300 | | |
| | | 929 | \$ 30.510 | 2/21/17 | 6,971(3) | \$ 421,327 | 15,936(6) | \$ 963,172 |
| | | 1,500 | \$ 30.640 | 2/26/17 | 6,338(8) | \$ 383,069 | | |
| | | 845 | \$ 38.740 | 5/30/17 | 14,247(4) | \$ 861,089 | | |
| Ronald E. Blum | | 120 | \$ 6.975 | 7/01/12 | 5,000(2) | \$ 302,200 | 1,866(5) | \$ 112,781 |
| | | 120 | \$ 11.565 | 7/01/13 | 10,456(3) | \$ 631,961 | 10,150(6) | \$ 613,466 |
| | | 1,690 | \$ 14.120 | 2/12/14 | 9,074(4) | \$ 548,433 | | |
| | | 120 | \$ 13.910 | 7/01/14 | | | | |
| | | 2,000 | \$ 21.380 | 2/26/15 | | | | |
| | | 562 | \$ 23.655 | 3/09/15 | | | | |

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| | | | | | | | |
|----------------------|--------|-----------|---------|----------|------------|----------|------------|
| | 120 | \$ 22.910 | 7/01/15 | | | | |
| | 2,000 | \$ 24.830 | 2/26/16 | | | | |
| | 1,394 | \$ 30.510 | 2/21/17 | | | | |
| | 2,000 | \$ 30.640 | 2/26/17 | | | | |
| | 2,890 | \$ 29.610 | 2/28/17 | | | | |
| David P. Bordages | 21,898 | \$ 7.00 | 2/25/12 | 9,585(3) | \$ 579,317 | 1,866(5) | \$ 112,781 |
| | 4,000 | \$ 13.910 | 7/01/14 | 5,445(4) | \$ 329,096 | 6,090(6) | \$ 368,080 |
| | | \$ 7.40 | 2/27/13 | | | | |
| | 4,000 | \$ 6.975 | 7/01/12 | | | | |
| | 1,352 | \$ 14.12 | 2/12/14 | | | | |
| | 4,000 | \$ 13.91 | 7/01/19 | | | | |
| | 450 | \$ 13.91 | 7/01/14 | | | | |
| | 4,000 | \$ 23.655 | 3/09/15 | | | | |
| | 1,278 | \$ 22.91 | 7/01/15 | | | | |
| | 3,356 | \$ 30.51 | 2/21/17 | | | | |
| | | \$ 29.61 | 2/28/17 | | | | |

- (1) All options are retention options that vest on the seventh anniversary of the grant of the option, but may vest on the third anniversary of the grant if the holder has held continuously until such date shares awarded as performance shares or granted as restricted shares or units for which restrictions have lapsed.
- (2) Restricted stock is scheduled to vest ratably each year through 2/26/08.
- (3) Restricted stock is scheduled to vest ratably each year through 2/21/10.

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- (4) Restricted stock is scheduled to vest ratably each year through 2/22/11.
- (5) Performance shares are scheduled to vest ratably each year through 2/28/08, subject to satisfaction of performance criteria for the applicable year.
- (6) Performance shares are scheduled to vest ratably each year through 2/22/10, subject to satisfaction of performance criteria for the applicable year.
- (7) Restricted stock is scheduled to vest ratably each year through 2/26/09.
- (8) Restricted stock is scheduled to vest ratably each year through 5/30/10.

OPTION EXERCISES AND STOCK VESTED

The following table includes certain information with respect to the options exercised by the named executive officers, and the vesting of restricted stock and performance shares in 2007.

| Name (a) | Option Awards | | Stock Awards | |
|------------------------|---|--|--|---|
| | Number of Shares Acquired on Exercise (#) (b) | Value Realized on Exercise (\$) (c) | Number of Shares Acquired on Vesting (#) (d) | Value Realized on Vesting (\$) (e) |
| Philip K. Asherman | 25,886 | \$ 1,191,943 | 24,976(1) 22,840(2) | \$ 762,018 \$ 674,237 |
| Ronald A. Ballschmiede | | | 11,075(1) | \$ 337,898 |
| John W. Redmon | | | 8,185(1) 8,485(1) | \$ 267,594 \$ 259,527 |
| Ronald E. Blum | | | 7,226(2) | \$ 213,312 |
| David P. Bordages | 35,748 | \$ 1,837,589 | 3,194(1) 8,390(2) | \$ 97,449 \$ 247,673 |

- (1) Restricted stock vesting in 2007.
- (2) Performance shares vesting in 2007.

NONQUALIFIED DEFERRED COMPENSATION

We adopted the Excess Plan to provide retirement benefits for our senior management (including executive officers) on the same basis, in proportion to pay, as we provide retirement benefits to all our salaried employees generally. We contribute to the Excess Plan the difference between the amount that would have been contributed by the Company to their 401(k) Plan accounts but for the Code limitations, and the contributions actually made to their 401(k) Plan accounts. Contributions to the Excess Plan are paid into the Rabbi Trust, with an independent trustee. Earnings on these contributions are determined by participants' designation of investment funds from the same group (other than the Company stock fund) that is available under the 401(k) Plan. Executives can change the election of investments at

any time without restriction. At the time an Executive becomes a participant, he elects whether distribution will occur on a designated date, or upon termination of employment or a designated date thereafter. Executives are not permitted to make contributions to the Excess Plan.

We have also adopted the Deferred Compensation Plan. Contributions to the Deferred Compensation Plan are paid into the Rabbi Trust. Earnings on these contributions are determined by participants' designation of investment funds from the same group (other than the Company stock fund and certain other funds) that is available under the 401(k) Plan. Executives make contributions to the Deferred Compensation Plan at the time they are paid compensation. Executives can change the election of investments at any time without restriction.

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The following table summarizes certain nonqualified deferred compensation contributions made in 2007 pursuant to our Excess Plan and the Deferred Compensation Plan.

| Name | Executive Contributions in Last FY | Registrant Contributions in Last FY | Aggregate Earnings In Last FY (\$) | Aggregate Withdrawals/ Distributions (\$) | Aggregate Balance at Last FYE (\$) |
|------------------------|---|--|---|--|---|
| (a) | (b) | (c) | (d) | (e) | (f) |
| Philip K. Asherman | | \$ 65,554 | \$ 11,911 | | \$ 185,405 |
| Ronald A. Ballschmiede | | | | | |
| John W. Redmon | | \$ 11,644 | \$ 451 | | \$ 12,095 |
| Ronald E. Blum | | \$ 18,486 | \$ 2,529 | | \$ 43,584 |
| David P. Bordages | \$ 58,400 | \$ 17,050 | \$ (483) | | \$ 150,219 |

All amounts reported as contributions have been reported as compensation to the named executive officer in the Summary Compensation Table for the last completed fiscal year. Amounts in the Aggregate Balance column that represent contributions have been reported in Summary Compensation Tables of the proxy statements. No amounts reported as earnings have been reported as compensation to the named executive officer.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE OF CONTROL

Vesting or Payment of Benefits on Retirement, Disability or Death.

Bonus Plan. Bonuses under the Bonus Plan may be payable in part, and equity awards under the LTIP may continue to vest, on certain terminations of employment. Generally, no bonus is paid if employment terminates before the last day of the bonus year. However a pro rata bonus, based on the time the executive officer is actually employed during the bonus year, is payable (subject to the O&C Committee's right to exercise discretion to reduce the bonus as described in the CD&A) if termination of employment occurs by retirement, death or disability. The Company treats any termination of employment after age 65, or after 30 years of service, or after age 55 with 10 years of service, as retirement for this purpose. If the retirement, death or disability of an executive officer had occurred on the last business day of 2007, the pro-rata bonus would be the entire bonus in the same amount as shown in column (d) or (g) (as applicable) of the Summary Compensation Table above.

LTIP. Generally awards under the LTIP are forfeited if employment terminates before the vesting date provided in the applicable award agreement. However, the award agreements provide that upon termination of employment for death, retirement, disability or dismissal for the convenience of the Company (other than an involuntary termination of employment for willful misconduct or gross negligence as it may be determined by the O&C Committee) awards will continue to vest over the same time-vesting period, subject to the performance metrics if applicable. The O&C Committee reserves the right to add in the award agreement additional conditions for retirement. If the retirement, death, disability or dismissal for the convenience of the Company of an executive officer occurred on the last business day of 2007, the number of options shares of restricted stock and performance shares that would continue to vest would be the same as the number of unexercisable options and the number of shares that have not vested shown in columns (c) or (g) and (h) (as applicable) of the Outstanding Equity Awards at Fiscal Year-End table above.

Nonqualified Deferred Compensation Plan. To the extent elected by the executive, vested nonqualified deferred compensation would be payable upon any termination of employment up to the vested amount of the aggregate account balance as shown column (f) of the Nonqualified Deferred Compensation table above.

Broad-Based Benefit Arrangements. The Company also provides post-retirement medical benefits, death and disability benefits, and 401(k) plan benefits upon termination of employment under broad-based plans that do not discriminate in scope, terms or operation in favor of its executive officers and that are available generally to all salaried employees.

Table of Contents***Change of Control Benefits for Current Executive Officers.***

Change of Control Agreements. We have substantially identical change of control severance agreements (Agreements) with Philip K. Asherman, Ronald A. Ballschmiede, John W. Redmon, Ronald E. Blum, and David P. Bordages (and one other officer). These Agreements are intended to assure the retention and performance of executives if a change of control of the Company is pending or threatened. They are designed to reduce the distraction of our executives that might otherwise arise from the personal uncertainties caused by a change of control, to encourage the executive s full attention and dedication to the Company, and to provide the executive with compensation and benefits following a change of control that are competitive with those of similarly-situated corporations.

Each Agreement provides for certain benefits upon a change of control of the Company and certain additional benefits upon the executive s termination of employment by the Company without cause, or by the executive with good reason, within a three-year period following the change of control. This period is set at three years to avoid giving the post-change Company a financial incentive to avoid severance obligations by keeping the executive employed in an unproductive capacity until his entitlement to those benefits expires. The Agreements also address termination within that period by the Company for cause, by the executive other than for good reason, or upon death or disability.

Under the Agreements, change of control generally is defined as the acquisition by any person or group of 25% or more of the beneficial interest in the equity of the Company; failure of the current Supervisory Board (and members nominated by at least 75% of the then-current Supervisory Board members) to comprise at least 50% of the Supervisory Board; Supervisory Board or shareholder approval of a merger or reorganization or consolidation resulting in less than 75% continuing ownership by the pre-merger shareholders; or Supervisory Board or shareholder approval of any transaction as a result of which the Company does not own at least 70% of Chicago Bridge & Iron Company (Chicago Bridge), or Chicago Bridge does not own at least 75% of its subsidiary, Chicago Bridge & Iron Company (Delaware). The Agreements use a 25% threshold to define a change of control because the stock ownership of the Company is fairly widely distributed, and a single person (or group) owning 25% of the stock can exercise in practice a disproportionate control over its management and policies.

Benefits Payable or Provided Solely Upon a Change of Control. Upon a change of control, the executive is entitled to receive payment of minimum pro-rata target bonus, vesting in options, restricted shares and performance shares, and (if the change of control also meets the conditions of Section 409A of the Code for accelerated payment of deferred compensation), an immediate lump sum cash payment of all deferred compensation and of the value of all performance shares assuming achievement of target performance goals. The provision for vesting and payment are intended to avoid the risk of potential non-payment by the post-change Company, and to reflect that, depending on the post-change circumstances of the Company, it may be difficult, impossible or meaningless to apply pre-change targets for performance-based compensation. The applicable amounts of these benefits and the other benefits described here are shown in the tables below for each current named executive officer.

Benefits Payable or Provided upon a Change of Control and Termination Without Cause or For Good Reason. Upon termination of employment by the Company without cause or by the executive for good reason during the three-year period following a change of control, the executive will be entitled to a lump sum payment of three times the sum of his annual base salary plus target bonus. The factor of three is intended to cover the period that it might take a senior executive to find comparable employment. In addition, the promise of change of control severance benefits in these events is intended generally to supply adequate and sufficient consideration for the executive s non-competition obligations described below. The executive will also be entitled to a payment of pro-rata minimum bonus for the year of termination, payment of deferred compensation (to the extent not paid upon the change of control), continuation for him and his dependents of medical and other benefits for a three-year period after termination of employment, payment of the amount (if any) of 401(k) Plan benefits forfeited upon termination of employment; and to receive

Company-provided outplacement services. Benefit continuation for a three-year period is intended to cover the period that it might take a senior executive to find employment providing comparable benefits and to cushion the executive and his family against the possibility that no subsequent employment would provide comparable benefits. The executive has no duty to mitigate these benefits by seeking subsequent employment and they are not reduced for compensation or benefits in subsequent employment. The executive

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(and dependents if applicable) is further entitled to post-termination medical coverage beginning at the later of age 50 or expiration of the three-year period after termination of employment, at active employee rates until age 65 and at retiree rates after age 65. These medical coverage benefits are secondary to any benefits the executive may receive through subsequent employment.

For purposes of these Agreements, *cause* includes conviction of a felony or of a crime involving moral turpitude, or willful misconduct or breach of the agreement that results in material financial detriment to the Company, but *cause* does not include negligence, actions taken in good faith, actions indemnifiable by the Company, or known to the Company for more than a year before the purported termination. The executive is entitled to certain procedural protections before the Company can terminate employment for *cause*. *Good reason* for resignation generally includes any adverse changes in the executive's duties, title, reporting requirements or responsibilities; failure by the Company to provide the compensation, bonus, work location, plan and other payments, benefits and perquisites called for by the Agreement, other breach of the Agreement by the Company or adverse change in the terms and conditions of the executive's employment, initiating a termination for *cause* without completing the termination within 90 days in compliance with the Agreement, any other purported termination of executive's employment not contemplated by the Agreement, or failure of a successor to assume and perform the Agreement.

Benefits Payable or Provided upon Change of Control and Voluntary Termination, Death or Disability. On voluntary termination by the executive without good reason during the three-year period following a change of control, the executive is entitled to payment of pro-rata minimum bonus for the year of termination and payment of deferred compensation (to the extent not paid upon the change of control). On termination for disability or death during that three-year period, the executive (or his beneficiaries) is entitled to benefits under the Company's broad-based disability and death plans with no enhancement except that such benefits may not be reduced below the greatest benefit level in effect during the 90-day period preceding the Change of Control. Upon termination for *cause* during the three-year period the executive is entitled to payment of deferred compensation (to the extent not paid upon the change of control). Upon any termination of employment during that three-year period, the executive is entitled to salary and accrued vacation pay through the termination date and reimbursement of business expenses incurred prior to termination.

Special Payments Relating to a Change in Control. The Agreements provide that the Company will pay an amount necessary to reimburse each employee, on an after-tax basis, for any excise tax due under Section 4999 of the Code as a result of such payment being treated as a *parachute payment* under Section 280G of the Code. The Company will also reimburse the executive's legal fees and related costs incurred to obtain benefits under the Agreements as long as the executive had a reasonable basis for the action or was acting in good faith. The Company must maintain a letter of credit and escrow in force to secure this obligation for legal fee reimbursement.

Applicable Restrictive Covenants. In exchange for the above benefits, the Agreements impose certain obligations on the executive that apply during employment (before or after a change of control) and after any termination of employment, including terminations of employment before any change of control happens, and regardless of the reason for termination of employment. These are an obligation to maintain the confidentiality of Company confidential information, not to engage directly or indirectly in competition with the Company, and not to solicit employees, customers, vendors and suppliers away from the Company or otherwise interfere with the Company's customer, vendor and supplier relationships. A competitive business is defined to be any construction and engineering business specializing in the engineering and design, materials procurement, fabrication, erection, repair and modification of steel tanks and other steel plate structures and associated systems and any branch, office or operation thereof, which is a direct and material competitor of the Company wherever in the world the Company does business. The executive agrees that these covenants may be specifically enforced against him by injunction.

Tabular Disclosures of Potential Benefits Paid or Provided Upon Change in Control. The following tables tally the benefits that would be paid or provided for each of the named executive officers if a change of control and a simultaneous without cause or good reason termination, a voluntary resignation without good reason, or a termination for cause, occurred on the last business day of 2007, applying the closing price of Company stock on that day (which was \$60.44 per share). (Benefits upon death or disability are omitted because they would be the same as under the Company's broad-based plans as discussed above.) A voluntary resignation without good reason

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on that date by Messrs. Asherman, Blum and Bordages would qualify as a retirement entitling those officers to bonus and equity vesting without regard to the change of control severance agreements. A voluntary resignation without good reason on that date by Messrs. Ballschmiede, and Redmon would not qualify as a retirement.

The table assumes that upon a termination for cause, the O&C Committee would exercise its discretion to reduce the bonus to zero even if the executive would otherwise qualify for retirement under the Bonus Plan, and that no change of control benefits would be payable. (Accordingly, benefits on termination would consist only of unpaid salary through the date of termination and other accrued vested benefits, and therefore benefits upon termination for cause are omitted from the tables.) For purposes of the Section 4999 gross-up, the amount in the table is based on the assumptions of an excise tax rate of 20%, a marginal federal income tax rate of 35.0%, a 1.45% Medicare tax rate and state income tax rate applicable to the named executive officer, and the assumptions that no amounts will be attributed to reasonable compensation before or after the change of control and that no value will be attributed to the executive's non-competition covenant. The value of health plan benefits is based upon and assumes that the executive will continue paying applicable employee (or retiree) premiums for coverage for the maximum period permitted by the Agreement. The table also assumes that the executive will not incur legal fees or related costs in enforcing the Agreement.

Table of Contents**Change of Control Benefits Philip K. Asherman**

| Benefits and Payments Upon Change of Control and Simultaneous Termination | Voluntary Termination | Good Reason or Without Cause Termination |
|--|----------------------------------|---|
| Bonus | \$ 972,000 | \$ 972,000 |
| Equity award vesting | | |
| Options | \$ 580,644 | \$ 580,664 |
| Restricted Stock | \$ 7,446,691 | \$ 7,446,691 |
| Performance Shares | \$ 3,283,161 | \$ 3,283,161 |
| Deferred Compensation | \$ 185,405 | \$ 185,405 |
| Severance payment | | \$ 5,076,000 |
| Payment of 401(k) forfeiture | | |
| Outplacement | | \$ 144,000 |
| Benefit plan continuation | | |
| Medical (including dental and vision) | | \$ 34,956 |
| Disability | | \$ 3,024 |
| Life insurance | | \$ 825 |
| Post-termination medical continuation | \$ 25,913 | \$ 145,823 |
| Excise tax gross-up | | \$ 5,546,650 |

Change of Control Benefits Ronald A. Ballschmiede

| Benefits and Payments Upon Change of Control and Simultaneous Termination | Voluntary Termination | Good Reason or Without Cause Termination |
|--|----------------------------------|---|
| Bonus | \$ 456,750 | \$ 456,750 |
| Equity award vesting | | |
| Options | \$ 132,580 | \$ 132,580 |
| Restricted Stock | \$ 2,775,949 | \$ 2,775,949 |
| Performance Shares | \$ 963,172 | \$ 963,172 |
| Deferred Compensation | | |
| Severance payment | | \$ 2,675,250 |
| Payment of 401(k) forfeiture | | \$ 23,495 |
| Outplacement | | \$ 87,000 |
| Benefit plan continuation | | |
| Medical (including dental and vision) | | \$ 34,956 |
| Disability | | \$ 3,024 |
| Life insurance | | \$ 825 |
| Post-termination medical continuation | | \$ 159,832 |
| Excise tax gross-up | | \$ 2,391,709 |

Table of Contents**Change of Control Benefits John W. Redmon**

| Benefits and Payments Upon Change of Control and Simultaneous Termination | Voluntary Termination | Good Reason or Without Cause Termination |
|--|----------------------------------|---|
| Bonus | \$ 472,500 | \$ 472,500 |
| Equity award vesting | | |
| Options | \$ 144,256 | \$ 144,256 |
| Restricted Stock | \$ 2,118,785 | \$ 2,118,785 |
| Performance Shares | \$ 963,172 | \$ 963,172 |
| Deferred Compensation | \$ 12,095 | \$ 12,095 |
| Severance payment | | \$ 2,767,500 |
| Payment of 401(k) forfeiture | | \$ 42,602 |
| Outplacement | | \$ 90,000 |
| Benefit plan continuation | | |
| Medical (including dental and vision) | | \$ 23,832 |
| Disability | | \$ 3,024 |
| Life insurance | | \$ 825 |
| Post-termination medical continuation | | \$ 65,524 |
| Excise tax gross-up | | \$ 2,228,567 |

Change of Control Benefits Ronald E. Blum

| Benefits and Payments Upon Change of Control and Simultaneous Termination | Voluntary Termination | Good Reason or Without Cause Termination |
|--|----------------------------------|---|
| Bonus | \$ 351,000 | \$ 351,000 |
| Equity award vesting | | |
| Options | \$ 445,977 | \$ 445,977 |
| Restricted Stock | \$ 1,482,593 | \$ 1,482,593 |
| Performance Shares | \$ 726,247 | \$ 726,247 |
| Deferred Compensation | \$ 43,584 | \$ 43,584 |
| Severance payment | | \$ 2,223,000 |
| Payment of 401(k) forfeiture | | |
| Outplacement | | \$ 78,000 |
| Benefit plan continuation | | |
| Medical (including dental and vision) | | \$ 23,832 |
| Disability | | \$ 3,024 |
| Life insurance | | \$ 825 |
| Post-termination medical continuation | \$ 29,232 | \$ 75,718 |
| Excise tax gross-up | | \$ 1,757,959 |

Table of Contents**Change of Control Benefits David P. Bordages**

| Benefits and Payments Upon Change of Control and Simultaneous Termination | Voluntary Termination | Good Reason or Without Cause Termination |
|--|----------------------------------|---|
| Bonus | \$ 219,000 | \$ 219,000 |
| Equity award vesting | | |
| Options | \$ 956,780 | \$ 956,780 |
| Restricted Stock | \$ 908,413 | \$ 908,413 |
| Performance Shares | \$ 480,861 | \$ 480,861 |
| Deferred Compensation | \$ 150,219 | \$ 150,219 |
| Severance payment | | \$ 1,533,000 |
| Payment of 401(k) forfeiture | | |
| Outplacement | | \$ 43,800 |
| Benefit plan continuation | | |
| Medical (including dental and vision) | | \$ 23,832 |
| Disability | | \$ 3,024 |
| Life insurance | | \$ 825 |
| Post-termination medical continuation | \$ 11,933 | \$ 70,122 |
| Excise tax gross-up | | \$ 1,261,605 |

DIRECTOR COMPENSATION

| Name(1) (a) | Fees Earned or Paid in Cash (\$) (b) | Stock Awards (\$)(2) (c) | Option Awards (\$)(3) (d) | All Other Compensation (\$)(4) (g) | Total (\$) (h) |
|------------------------|---|---|--|---|---------------------------|
| Jerry H. Ballengee(5) | \$ 118,500 | \$ 138,624 | | \$ 660 | \$ 257,784 |
| L. Richard Flury(6) | \$ 59,000 | \$ 138,624 | | \$ 2,911 | \$ 200,535 |
| J. Charles Jennett | \$ 51,000 | \$ 138,624 | | \$ 660 | \$ 190,284 |
| Vincent L. Kontny(7) | \$ 61,000 | \$ 138,624 | | \$ 1,458 | \$ 201,082 |
| Gary L. Neale(8) | \$ 52,000 | \$ 138,624 | | \$ 1,230 | \$ 191,854 |
| L. Donald Simpson(9) | \$ 19,500 | \$ 43,266 | | \$ 150,042 | \$ 212,768 |
| Michael Underwood(10) | \$ 26,500 | \$ 95,358 | | \$ 36,352 | \$ 158,210 |
| Marsha C. Williams | \$ 61,500 | \$ 138,624 | | \$ 660 | \$ 200,784 |

(1) Philip K. Asherman, President and Chief Executive Officer, is not included in this table as he is our employee and receives no compensation for his services as Supervisory Director. The compensation received by Mr. Asherman as our employee is shown in the Summary Compensation Table on page 23.

(2) Reflects the dollar amount recognized for financial statement reporting purposes for the fiscal year ended December 31, 2006 in accordance with FAS 123(R), and thus includes amounts from awards granted in 2005 and 2006. The number of stock awards outstanding at the end of the last completed year for each Supervisory

Director is 4,400. The stock awards were granted in May 2006 and the grant date fair value of each award computed in accordance with FAS 123(R) was \$103,840.

- (3) The number of option awards outstanding at the end of the last completed year for each Supervisory Director is 30,000, except for Mr. Kontny, 22,000 and Mr. Flury, 8,000. No option awards were granted during the year ended December 31, 2007.
- (4) All Other Compensation includes dividends on stock awards (\$660 for each member except Mr. Underwood at \$352), the 15% discount on shares purchased (described below) and above market interest on deferred compensation.

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- (5) Mr. Ballengee receives 50% of his fees earned in cash and 50% in Company stock issued immediately.
- (6) Mr. Flury receives 50% of his fees earned in cash, and as described below defers until 2017 42% of fees in cash and 8% of fees to purchase Company stock.
- (7) Mr. Konty receives 92% of his fees earned in cash and as described below defers until retirement 8% of fees to purchase Company stock.
- (8) Mr. Neale receives 50% of his fees earned in cash, and as described below defers until one year after retirement 42% of fees in cash and 8% to purchase Company stock,
- (9) As of May 10, 2007, Mr. Simpson ceased being a member of the Supervisory Board and became a consultant to the Company. Amounts shown in columns (b) and (c) are Mr. Simpson's compensation as a member of the Supervisory Board. Mr. Simpson's compensation in 2007 as a consultant is included in column (g).
- (10) As of May 10, 2007, Mr. Underwood became a member of the Supervisory Board. Prior thereto he served as a consultant to the Company. Amounts shown in columns (b) and (c) are Mr. Underwood's compensation as a member of the Supervisory Board. Mr. Underwood's compensation in 2007 as a consultant is included in column (g).

Members of the Supervisory Board received in 2007 as compensation for their services as Supervisory directors an annual retainer of \$30,000, except the non-executive Chairman of the Supervisory Board who received an annual retainer of \$90,000, paid in quarterly installments, \$1,500 for attendance at each Supervisory Board meeting and a grant of 4,400 units or shares of restricted stock which vest after one year. Members of the Supervisory Board who chair a Supervisory Board committee receive an additional annual retainer of \$5,000, except the chairman of the Audit Committee who received an annual retainer of \$10,000. Those who serve on Supervisory Board committees received \$1,000 for each committee meeting attended. Members of the Supervisory Board may elect to receive their compensation in common shares and may elect to defer their compensation in the form of cash or stock. Fees deferred in the form of cash are credited with interest at the rate of prime plus 1%, updated quarterly based on the prime rate for the first business day of each calendar quarter as published in the Wall Street Journal. For fees deferred in the form of stock, the number of shares of our stock is determined by dividing the fees earned by the closing price per share of our stock on the New York Stock Exchange on the first trading day preceding the respective Supervisory Board meeting and such shares earn dividends at the regular rate and are converted into additional shares based on the closing price per share of our stock on the New York Stock Exchange on the dividend payment date. In addition, a member of the Supervisory Board may direct that up to 8% of his or her director's fees be applied to purchase shares at 85% of the closing price per share on the New York Stock Exchange on the first trading day following the end of each calendar quarter. Shares are issued either at the time of purchase or at a specified future date. Members of the Supervisory Board who are full-time employees of the Company receive no compensation for serving as members of the Supervisory Board.

In 2005, we adopted stock ownership guidelines for our Supervisory Directors. They are that each Supervisory Director own shares in our stock equal to at least five times the annual retainer. There is a five-year period for our Supervisory Directors to meet these stock ownership targets.

ITEM 2

ADOPTION OF ANNUAL ACCOUNTS FOR 2007

At the Annual Meeting, you will be asked to authorize the preparation of our Dutch statutory annual accounts and annual report of our Management Board in the English language and to adopt our Dutch Statutory Annual Accounts for the year ended December 31, 2007 (the Annual Accounts), as required under Dutch law and our Articles of Association.

Our Annual Accounts are prepared in accordance with Dutch generally accepted accounting principles (Dutch GAAP) and Dutch law. The Annual Accounts contain certain disclosures not required under generally accepted accounting principles in the United States (US GAAP). Dutch GAAP generally requires us to amortize goodwill and indefinite lived intangible assets, which is not required under US GAAP. In addition, the Management Report required by Dutch law, similar to the Management s Discussion and Analysis of Results of Operations and Financial Condition included in the 2007 Annual Report to Shareholders (Annual Report), also contains

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information included in our Annual Report on Form 10-K and other information required by Dutch law. A copy of the Annual Accounts can be accessed through our website, www.cbi.com, and may be obtained free of charge by request to our principal executive offices at Oostduinlaan 75, 2596 JJ The Hague, The Netherlands and at our administrative offices c/o Chicago Bridge & Iron Company (Delaware), 2103 Research Forest Drive, The Woodlands, TX 77380-2624 Attn: Investor Relations.

The affirmative vote of a majority of the votes cast at the Annual Meeting is required to adopt our Annual Accounts and to authorize the preparation of our Dutch statutory annual accounts and annual report in the English language.

THE SUPERVISORY BOARD RECOMMENDS THAT YOU VOTE FOR THE ADOPTION OF OUR ANNUAL ACCOUNTS AND THE AUTHORIZATION OF THE PREPARATION OF OUR DUTCH STATUTORY ANNUAL ACCOUNTS AND ANNUAL REPORT IN THE ENGLISH LANGUAGE.

ITEM 3

DISCHARGE OF SOLE MEMBER OF THE MANAGEMENT BOARD

Under Dutch law, at the Annual Meeting shareholders may discharge the members of the Management Board from liability in respect of the exercise of their management duties during the financial year concerned. During 2007, the sole member of the Management Board was Chicago Bridge & Iron Company B.V., our wholly owned subsidiary. The discharge is without prejudice to the provisions of the law of The Netherlands relating to liability upon bankruptcy and does not extend to matters not disclosed to shareholders.

It is proposed that the shareholders resolve to discharge the sole member of the Management Board from liability in respect of the exercise of its management duties during 2007.

The affirmative vote of a majority of the votes cast at the Annual Meeting is required to so discharge the Management Board.

THE SUPERVISORY BOARD RECOMMENDS THAT YOU VOTE FOR THE DISCHARGE OF THE SOLE MEMBER OF THE MANAGEMENT BOARD FROM LIABILITY FOR 2007.

ITEM 4

DISCHARGE OF MEMBERS OF THE SUPERVISORY BOARD

Under Dutch law, at the Annual Meeting shareholders may discharge the members of the Supervisory Board from liability in respect of the exercise of their supervisory duties during the financial year concerned. The discharge is without prejudice to the provisions of the law of The Netherlands relating to liability upon bankruptcy and does not extend to matters not disclosed to shareholders.

It is proposed that the shareholders resolve to discharge the members of the Supervisory Board from liability in respect of the exercise of their supervisory duties during 2007.

The affirmative vote of a majority of the votes cast at the Annual Meeting is required to so discharge the Supervisory Board.

THE SUPERVISORY BOARD RECOMMENDS THAT YOU VOTE FOR THE DISCHARGE OF THE MEMBERS OF THE SUPERVISORY BOARD FROM LIABILITY FOR 2007.

ITEM 5

DISTRIBUTION FROM PROFITS

Our Articles of Association provide that the general meeting of shareholders may resolve to make distributions from profits. During 2007, we distributed four quarterly distributions (interim dividends) in cash in anticipation of

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the final dividend. The interim dividends were distributed on March 30, June 29, September 28 and December 28, each at the rate of \$0.04 per share, for an aggregate interim cash dividend of \$0.16 per share.

We propose that no further distributions be made and that the final dividend for 2007 shall equal the aggregate of the four interim dividends in cash amounting to \$0.16 per share and that such amounts shall be charged to profits.

The affirmative vote of a majority of the votes cast at the Annual Meeting is required to approve the final dividend.

THE SUPERVISORY BOARD RECOMMENDS THAT YOU VOTE FOR THE DISTRIBUTION OF THE FINAL DIVIDEND FOR 2007.

ITEM 6

EXTENSION OF AUTHORITY OF MANAGEMENT BOARD TO REPURCHASE UP TO 10% OF OUR ISSUED SHARE CAPITAL UNTIL NOVEMBER 8, 2009

Under Dutch law and our Articles of Association, the Management Board may, with the prior approval of the Supervisory Board, and subject to certain Dutch statutory provisions, be authorized to repurchase issued shares on our behalf in an amount, at prices and in the manner authorized by the general meeting of shareholders. Adoption of this proposal will allow us to have the flexibility to repurchase our shares without the expense of calling special shareholder meetings. Such authorization may not continue for more than 18 months, but may be given on a rolling basis. At the 2007 annual meeting, you authorized the Management Board, acting with the approval of our Supervisory Board, to repurchase up to 10% of our issued share capital in open market purchases, through privately negotiated transactions, or by means of self-tender offer or offers, at prices ranging up to 110% of the market price at the time of the transaction. Since the 2007 annual meeting and as of March 20, 2008, we had repurchased 325,000 shares under this authority. Such authority currently expires November 10, 2008.

The Management Board believes that we would benefit by extending such authority of the Management Board, acting with the approval of our Supervisory Board, to repurchase our shares. For example, to the extent the Management Board believes that our shares may be undervalued at the market levels at which they are then trading, repurchases of our share capital may represent an attractive investment for us. Such shares could be used for any valid corporate purpose, including use under our compensation plans, sale in connection with the exercise of outstanding options, or for acquisitions, mergers or similar transactions. The reduction in our issued capital resulting from any such purchases will increase the proportionate interest of the remaining shareholders in our net worth and whatever future profits we may earn. However, the number of shares repurchased, if any, and the timing and manner of any repurchases would be determined by the Management Board, with the prior approval of the Supervisory Board, in light of prevailing market conditions, our available resources and other factors that cannot now be predicted. The number of shares held by us, or our subsidiaries, may generally never exceed 10% of the total number of our issued and outstanding shares.

In order to provide us with sufficient flexibility, the Management Board proposes that the general meeting of shareholders grant authority for the repurchase of up to 10% of our issued share capital (or over 9,600,000 shares) on the open market, or through privately negotiated repurchases or in self-tender offers, at prices ranging up to 110% of the market price at the time of the transaction. Such authority would extend for 18 months from the date of the Annual Meeting until November 8, 2009.

The affirmative vote of a majority of the votes cast at the Annual Meeting is required to adopt the proposal to extend the authorization of the Management Board, acting with the approval of our Supervisory Board, to repurchase up to 10% of our issued share capital on the open market, or through privately negotiated repurchases or self-tender offers, at prices ranging up to 110% of the market price at the time of the transaction until November 8, 2009.

THE SUPERVISORY BOARD RECOMMENDS THAT YOU VOTE FOR THE PROPOSAL TO GRANT EXTENDED AUTHORITY TO THE MANAGEMENT BOARD TO REPURCHASE SHARES.

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ITEM 7

APPOINTMENT OF OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Supervisory Board has recommended that Ernst & Young LLP (E&Y) be appointed as our independent registered public accounting firm for the year ending December 31, 2008. E&Y has acted as our independent registered public accounting firm since 2005. Representatives of E&Y are expected to be present at the Annual Meeting. They will have an opportunity to make a statement, if they desire, and are expected to be available to respond to appropriate questions.

The affirmative vote of a majority of the votes cast at the Annual Meeting is required to appoint E&Y as our independent registered public accounting firm who will audit our accounts for the year ending December 31, 2008.

THE SUPERVISORY BOARD RECOMMENDS THAT YOU VOTE FOR THE APPOINTMENT OF ERNST & YOUNG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE YEAR ENDING DECEMBER 31, 2008.

ITEM 8

ADOPTION OF AMENDMENT TO OUR ARTICLES OF ASSOCIATION

The Supervisory Board proposes to amend our Articles of Association to permit record dates up to 30 days prior to the date of a shareholder meeting. The Supervisory Board has recommended this increase in the number of days prior to a shareholder meeting when a record date may be set in order to ensure that shareholders receive information regarding the materials to be discussed at a meeting of the shareholders in time to thoroughly review such materials and to provide time for any proxies with respect to a shareholder meeting to be received,

The affirmative vote of a majority of the votes cast at the Annual Meeting is required to adopt the proposal to amend our Articles of Association as described above. A text of the proposed deed of amendment to our Articles of Association is attached as Annex A to this proxy statement.

THE SUPERVISORY BOARD RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE PROPOSAL TO AMEND OUR ARTICLES OF ASSOCIATION TO PERMIT RECORD DATES UP TO 30 DAYS PRIOR TO THE DATE OF A SHAREHOLDER MEETING.

ITEM 9

**ADOPTION OF AMENDMENT TO THE CHICAGO BRIDGE & IRON
1999 LONG-TERM INCENTIVE PLAN**

Chicago Bridge & Iron Company (Chicago Bridge), a subsidiary of the Company, as sponsor, has adopted the Chicago Bridge & Iron 1999 Long-Term Incentive Plan (the Plan). The Plan was approved by our 1999 annual general meeting of shareholders, and again approved as amended at the Company s December 13, 2000 special meeting of shareholders, and subsequently amended and again approved as amended at the Company s May 13, 2005 annual meeting of shareholders. The Board of Directors of Chicago Bridge has further amended the Plan (the Amendment), subject to the approval of our shareholders of the Plan as so amended (the Amended Plan).

The principal material change is an increase in the aggregate number of shares available by 3,000,000 shares. Together with shares available under the Plan before the amendment and shares available under Chicago Bridge's 1997 Long-Term Incentive Plan (the 1997 Plan) (which will be terminated upon approval of the Amended Plan) the Amended Plan will have 4,127,918 shares available.

The amendment also revises the Plan to implement the policy adopted by the Supervisory Board to recover awards in certain circumstances in the event of a restatement of the Company's financial results (which is described below in the summary of the Amended Plan) and to delete a Plan provision permitting the deferral of shares received on exercise of options (and make technical conforming changes reflecting that deletion). The provisions for deferral of option shares are deleted because this feature has not been used in the past and because new tax rules under Section 409A of the Code drastically curtail the circumstances in which this feature might be used in the future. The

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Amendment also reflects the increase in the number of shares reserved for grants to any single participant under the Plan's antidilution adjustment and the stock splits since additional shares were last authorized for the Plan at the Company's December 13, 2000 special meeting of shareholders. Finally, in light of the above changes, the name of the Plan is changed to be the Chicago Bridge & Iron Company 2008 Long-Term Incentive Plan. A copy of the Amendment is attached as Annex B to this proxy statement.

As of March 28, 2008, of the 16,727,020 shares authorized for grant under the Plans, 1,127,918 shares (143,529 shares under the 1997 Plan and 984,389 shares under the Plan (together, the Plans)) remain available for future grants and awards under the Plans. During 2007 and this year through March 28, 2008, options for 155,474 and 180,614 shares, respectively, have been granted under the Plans; restricted stock awards of 433,938 and 397,995 shares, respectively, have been granted under the Plans; and performance share awards at target of 192,655 and 256,198, respectively, have been granted under the Plans.

As of March 28, 2008, there were 1,364,056 stock options outstanding with a weighted-average exercise price of \$15.78 and a weighted-average remaining contractual life of 5.4 years; and 920,684 restricted shares outstanding (including 35,200 directors' shares) subject to restrictions that they may not be sold or otherwise transferred until such restrictions have lapsed. As of that date, there were also 376,514 performance shares at target that are unvested and outstanding.

Reasons for Seeking Shareholder Approval

Shareholder approval of the amendment increasing the number of shares available is required under the rules of the New York Stock Exchange applicable to the Company. Shareholder approval of such amendment will also permit options granted under the Plan that are intended to be incentive stock options (ISOs) to qualify as such.

Approval of the Amended Plan is also necessary to permit compensation expense recognized by the Company in connection with exercise of options, and payment of performance-vested restricted stock and performance units or performance shares, to qualify as performance-based compensation for purposes of Section 162(m) of the Code.

Under Section 162(m), the Company cannot claim a U.S. federal income tax deduction for compensation paid to its chief executive officer or any of its three other most highly compensated executive officers other than the chief financial officer in excess of \$1,000,000 in any year, unless the compensation qualifies as shareholder-approved performance-based compensation. Compensation attributable to exercise of options (the spread, or excess of the fair market value of the option shares at the time of exercise over the option exercise price) is eligible to be considered as performance-based compensation for purposes of Section 162(m).

Compensation attributable to certain other types of awards, such as performance-vested restricted stock, performance shares or performance units, is eligible to be considered as performance-based compensation for purposes of Section 162(m) if the shareholders have approved the material terms of the performance goals set forth in the Amended Plan for such Awards. Where, however, as under the Amended Plan, the Committee has authority to change the targets under a performance goal after shareholder approval of the goal, the material terms of the performance goal must be disclosed and reapproved by shareholders no later than the first shareholder meeting that occurs in the fifth year following the year in which shareholders previously approved the performance goal. Such reapproval last occurred at the Company's May 13, 2005 annual meeting. Accordingly the Amended Plan will not satisfy the requirements of Section 162(m) after 2009 unless our shareholders approve the Amended Plan at this meeting, or reapprove the Amended Plan at the first shareholders meeting occurring in 2010.

If the Amended Plan is not approved, the Amendment will not go into effect. Awards may continue to be made under the Plan in accordance with its terms as they existed prior to the Amendment until the shares remaining for Awards

under the Plan are exhausted.

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Summary of the Amended Plan

The principal provisions of the Amended Plan are summarized below. This summary is not a complete description of the Amended Plan and is qualified by the full text of the Amended Plan, a copy of which is attached as Annex C to this proxy statement.

Purpose. The objectives of the Amended Plan are to optimize the profitability and growth of the Company and its subsidiaries through incentives which link the personal interests of participants to those of our shareholders; to provide participants with an incentive for excellence in individual performance; to promote teamwork among participants; and to provide flexibility to Chicago Bridge in its ability to motivate, attract and retain the services of participants who make significant contributions to Chicago Bridge's success and to allow participants to share in its success.

Duration. Elimination of the deferral feature (and related conforming changes) are effective January 1, 2008, the effective date of final tax regulations under Section 409A of the Code. Other changes made by the Amendment are effective as of the date of its approval by the shareholders. The Amended Plan will remain in effect, subject to the right of the Board of Directors of Chicago Bridge to amend or terminate the Amended Plan, until all shares subject to the Amended Plan shall have been awarded.

Types of Awards. The Amended Plan permits the granting of the following types of awards to employees of the Company or any of its affiliates: (1) stock options, including ISOs and options other than ISOs (nonqualified options); (2) restricted stock (whether in the form of restricted stock shares or restricted stock units); and (3) performance shares or performance units conditioned upon meeting performance criteria (collectively, the Awards).

Administration. The Amended Plan is administered by a Committee (Committee) appointed by the Board of Directors of Chicago Bridge. However, as to Awards to any individual who is a member of that Committee or an executive officer or a Supervisory Director of the Company, the Organization and Compensation Committee of the Supervisory Board (the Supervisory Committee) will act as the Committee. In addition, the Supervisory Committee may in its discretion exercise directly any function of the Committee, including the making of Awards to any employees or nonemployee members of the Supervisory Board or nonemployee consultants. Subject to the foregoing, the Committee will have the power, among other things, to select employees of the Company and its affiliates (and nonemployee members of the Supervisory Board or nonemployee consultants) to whom Awards are granted, and to determine the sizes and types of Awards and the terms and conditions of Awards. The Committee is authorized to construe and interpret the Amended Plan and any related award agreements, to establish, amend or waive rules relating to plan administration, to amend outstanding Awards, and to make all other determinations which may be necessary or advisable for the administration of the Amended Plan. The Committee may delegate its authority.

Shares Subject to the Amended Plan. Subject to the anti-dilution adjustment described below, a total of 4,127,918 shares will be reserved for Awards under the Amended Plan. The number of shares with respect to which Awards may be granted in the form of options to any single participant in any one fiscal year may not exceed 1,000,000. The number of shares with respect to which Awards may be granted in the form of restricted stock and performance shares/units combined to any single participant in any one fiscal year may not exceed 500,000. Shares may be held in a trust of the kind commonly known as a rabbi trust pending transfer to participants under an Award.

In the event of a stock dividend, stock split or other change in corporate capitalization, or a corporate transaction such as a merger, consolidation or spin-off, or a reorganization or liquidation of the Company, the Committee shall adjust the number and class of shares which may be issued under the Amended Plan, the limitation on the number of shares that may be the subject of Awards under the Amended Plan, and the number, class and option or other purchase price of shares subject to outstanding Awards under the Amended Plan, as the Committee deems appropriate and equitable

to prevent dilution or enlargement of rights.

If any shares subject to any Award granted under the Amended Plan are forfeited or such Award otherwise terminates without the issuance of such shares or of other consideration in lieu of such shares, the shares subject to such Award, to the extent of any such forfeiture or termination, are again available for grant under the Amended

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Plan. If shares are applied to pay the exercise price upon exercise of an option pursuant to the Amended Plan or applied to withholding of federal, state and local taxes pursuant to the Amended Plan, the shares so applied are added to the foregoing limitation in determining the number of shares remaining for grants pursuant to Awards, and shall be available for grants under the Amended Plan. No fractional shares are issued under the Amended Plan.

Eligibility. All employees of the Company and its affiliates, who are in salary grades 16 and above, non-employee members of the Supervisory Board and non-employee consultants to the Company (approximately 1,600 persons) are eligible to be participants. The Committee selects from among these eligible individuals those to whom Awards are actually granted.

Stock Options. The Committee grants options, which may be ISOs or nonqualified options, pursuant to Award agreements. The option price per share purchasable under any stock option will be determined by the Committee, in its sole discretion, but cannot in any event be less than 100% of the fair market value of a share on the date the option is granted. On March 27, 2008, the closing price of the Common Stock was \$39.31 per share. The Committee determines, in its sole discretion, the term of each stock option and the time or times when it may be exercised. Options may be exercised by payment of the exercise price in cash, or, in the sole discretion of the Committee, in shares with a fair market value equal to the exercise price of the option, or pursuant to a cashless exercise through a broker-dealer.

Restricted Stock. Restricted stock may be awarded in the form of restricted stock shares (which are shares issued by the Company subject to risk of forfeiture and restrictions on such shares), or restricted stock units (which are bookkeeping units evidencing a participant's right to receive shares in the future upon or after the lapse of risks of forfeiture and restrictions on such units). Restricted stock shares or units may not be disposed of by the recipient until the restrictions established by the Committee lapse. Upon termination of employment during the restriction period, all restricted stock is forfeited, subject to such exceptions, if any, made by the Committee. Award agreements may impose other restrictions or vesting conditions, including achievement of specific Company-wide, divisional or individual performance goals (which can include the performance goals described below).

Recipients are not required to pay for restricted stock other than by rendering of services or the payment of any minimum amount required by law. With respect to restricted stock shares, the participant has all of the rights of a shareholder, including the right to vote the shares and the right to receive any cash dividends, unless the Committee shall otherwise determine. With respect to restricted stock units, the participant has the right to receive the equivalent of any cash dividends, unless the Committee shall otherwise determine, but not the right to vote the shares. Restricted stock units are paid by issuance of the applicable number of shares at or after the satisfaction of the applicable vesting date.

Performance Awards. Performance shares pay out a variable number of shares of Common Stock depending on goal achievement. Performance units provide for payment of an amount, based either on the value of shares or appreciation in the price of shares, upon the achievement of performance goals. Such shares or units have an initial value determined by the Committee as of the date of grant. In the case of a performance share, this value equals the value of a share of Common Stock. The Committee selects the period during which one or more performance criteria designated by the Committee are measured for the purpose of determining the extent to which performance shares or units will have been earned. The performance criteria which the Committee may designate are operating income, earnings (before or after any of interest, taxes, depreciation and amortization), return on net assets, net income (before or after taxes), after-tax return on investment, sales, revenue, earnings per share (excluding special charges, as reported to shareholders), total shareholder return, return on equity, total business return, return on invested capital, operating cash flow, free cash flow, economic value added, new business taken (measured by revenue, net income or operating income), and contract backlog, in each case where applicable determined either on a Company-wide basis or in respect of any one or more business units. The Committee may apply any fixed combination of those performance

measures and use target levels or target growth rates of any of those performance measures.

Performance awards may be paid in cash, stock, other property or a combination thereof. Recipients are not required to pay for performance awards other than by rendering services and any minimum consideration required by applicable law.

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Change of Control. A change of control would occur in the event of the acquisition by anyone other than the Company or a subsidiary of the Company of a 25% or greater interest in the Company; certain mergers and other transactions which result in the Company's shareholders owning 70% or less of the surviving corporation; or certain changes in the composition of the Supervisory Board. Upon a change of control, all options become exercisable, all restriction periods and restrictions on restricted stock lapse, and target payout opportunities attainable under all outstanding Awards of restricted stock, performance units and performance shares are deemed to be fully earned (with such Award denominated in shares becoming fully vested). The definition and consequences of a change of control may be varied in an Award agreement or other written agreement with the participant.

Recovery of Certain Awards. If any of the Company's financial statements are required to be restated as a result of misconduct or fraud, the Company at the direction of the O&C Committee in its sole discretion, may recover all or any portion of an award (or in the case of a stock award, the value realized by sale of the stock) that is negatively affected by any restatement of the Company's financial statements as a result of misconduct or fraud. For this purpose, misconduct or fraud includes any circumstance where the forfeiture of an award is required by law, and any other circumstance where the O&C Committee determines in its sole discretion that the individual personally and knowingly engaged in practices that materially contributed to a material noncompliance with any financial reporting requirement, or had knowledge of such material noncompliance or the circumstances giving rise to such noncompliance and failed to take reasonable steps to bring it to the attention of the appropriate individuals within the Company.

Power to Amend. The Board of Directors of Chicago Bridge may amend, alter or discontinue the Amended Plan at any time without the approval of the shareholders of the Company.

Other Provisions. ISOs are not transferable unless an award agreement provides for transferability. Restricted stock is not transferable prior to vesting. Performance shares and performance units are not transferable prior to payment except as provided in the Award agreement. However, all such Awards are transferable upon death under the laws of descent and distribution or by the participant's designation of a beneficiary. In the discretion of the Committee, withholding tax liabilities incident to the exercise of an option or other taxable event may be satisfied by withholding of shares.

Table of Contents**New Plan Benefits**

The benefits or amounts that will be received by or allocated to executive officers, non-executive directors, and employees other than executive officers, by reason of the Amendment, are not yet determinable. Future awards are in the discretion of the Committee (including, as applicable, the Supervisory Committee), and cannot be determined at this time.

The table below sets forth the number of performance share grants, restricted stock units and options that were granted under the Plan in 2008 through March 28, 2008. The dollar value represents the sum of the grant date fair values of the respective restricted stock, performance share, and option awards. If the Amended Plan is not approved, the grants will remain outstanding.

1999 LONG-TERM INCENTIVE PLAN

| Name and Position | Dollar Value | Number of Units |
|--|---------------------|------------------------|
| Philip K. Asherman, <i>President and Chief Executive Officer</i> | \$ 5,353,240 | 136,319 |
| Ronald A. Ballschmiede, <i>Executive Vice President and Chief Financial Officer</i> | \$ 1,219,710 | 32,354 |
| John W. Redmon <i>Executive Vice President-Operations</i> | \$ 1,006,690 | 26,834 |
| Ronald E. Blum, <i>Executive Vice President-Global Business Development</i> | \$ 926,724 | 25,294 |
| David P. Bordages, <i>Vice President Human Resources and Administration</i> | \$ 563,995 | 15,273 |
| Executive Group | \$ 11,861,045 | 304,752 |
| Non-Executive Director Group | \$ | |
| Non-Executive Officer Employee Group | \$ 21,307,010 | 530,055 |

Tax Aspects of the Amended Plan

The following summarizes the U.S. federal tax consequences generally arising under present law with respect to awards granted under the Amended Plan. The grant of an option creates no tax consequences for a grantee or the Company. In general, the grantee will have no taxable income upon exercising an ISO if the applicable ISO holding period is satisfied (except that the alternative minimum tax may apply), and the Company will receive no deduction when an ISO is exercised. In general, the grantee will realize ordinary income upon exercising a nonqualified option equal to the difference between the option price and the fair market value of shares on the date of the exercise. The Company will be entitled to a deduction for the same amount. Generally, there will be no tax consequence to the Company in connection with a disposition of shares acquired by exercise of an option, except that the Company may be entitled to a deduction in the case of a disposition of shares acquired by exercise of an ISO before the applicable ISO holding period has been satisfied.

The award of restricted stock shares or units generally will create no tax consequences for a participant or the Company at the time of the award. The participant will realize ordinary income (and the company will normally be entitled to a corresponding deduction) when the restricted stock shares become freely transferable or the restrictions lapse, whichever occurs first, in the amount of the fair market value of the restricted stock shares at that time. The award of restricted stock units, performance shares and performance units generally will create no tax for a participant

or the company at the time of the award. The participant will realize ordinary income (and the Company will normally be entitled to a corresponding deduction) when the restricted stock units, performance stock or performance units are paid or transferred to the participant in the form of shares (or cash) at the time the units vest or the performance goals are attained. If, however, the restricted stock units, performance shares, or performance units are paid in the form of shares which continue to be nontransferable and subject to a substantial risk of forfeiture, the participant's tax (and the Company's deduction) will be incurred (and taken) when those restrictions lapse under the rules for restricted property described above.

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The affirmative vote of a majority of the votes cast at the meeting is required to approve the Amendment and the Amended Plan.

THE SUPERVISORY BOARD RECOMMENDS THAT SHAREHOLDERS VOTE FOR APPROVAL OF THE AMENDMENT AND THE AMENDED PLAN.

ITEM 10

EXTENSION OF AUTHORITY OF SUPERVISORY BOARD TO ISSUE SHARES, TO GRANT THE RIGHT TO ACQUIRE SHARES AND TO LIMIT OR EXCLUDE PREEMPTIVE RIGHTS UNTIL MAY 8, 2013

At the Annual Meeting, you will be asked to resolve on a further extension of the designation of the Supervisory Board to issue shares and/or grant rights to acquire shares (including options to subscribe for shares) and to limit or exclude preemptive rights in respect of the issuance of shares or the grant of the right to acquire shares, for a five-year period from the date of the Annual Meeting until May 8, 2013. Under the laws of the Netherlands and our Articles of Association, shareholders have a pro rata preemptive right to subscribe for any shares issued for cash unless such right is limited or excluded. Shareholders have no preemptive right with respect to any shares issued for consideration other than cash or pursuant to certain employee share plans. Shareholders also have a pro rata preemptive right to participate in any grant of the right to acquire shares for cash, other than certain grants under employee share plans. If designated for this purpose at the Annual Meeting, the Supervisory Board will have the power to issue and/or grant rights to acquire shares (including options to subscribe for shares) and to limit or exclude preemptive rights with respect to the issuance of shares or the grant of the right to acquire shares. Such a designation may be effective for up to five years and may be renewed on an annual rolling basis. At the 2007 annual meeting, the shareholders designated the Supervisory Board for a five-year period to issue shares and/or grant rights to acquire shares (including options to subscribe for shares) and to limit or exclude preemptive rights with respect to the issuance of shares or the grant of the right to acquire shares. This five-year period will expire on May 10, 2012.

The affirmative vote of a majority of the votes cast at the Annual Meeting, or the affirmative vote of two-thirds of the votes cast if less than 50% of the issued capital is represented at the meeting, is required to extend the authorization of the Supervisory Board to issue and/or to grant rights to acquire shares (including options to subscribe for shares) and to limit or exclude preemptive rights for a five-year period from the date of the Annual Meeting until May 8, 2013.

THE SUPERVISORY BOARD RECOMMENDS THAT YOU VOTE FOR THE DESIGNATION OF THE SUPERVISORY BOARD TO ISSUE AND/OR GRANT RIGHTS TO ACQUIRE SHARES (INCLUDING OPTIONS TO SUBSCRIBE FOR SHARES) AND TO LIMIT OR EXCLUDE PREEMPTIVE RIGHTS UNTIL MAY 8, 2013.

ITEM 11

APPROVE THE COMPENSATION OF THE SUPERVISORY BOARD MEMBER WHO SERVES AS THE NON-EXECUTIVE CHAIRMAN

Under our Articles of Association, the shareholders determine the compensation of Supervisory Directors for service in their capacities as Supervisory Directors, including changes to their compensation. As approved by shareholders in 1997, 2000, 2003 and 2005, Supervisory Directors who are not employees receive an annual retainer of \$30,000 (except for the annual retainer of the non-executive Chairman of the Supervisory Board, which is \$90,000), a meeting attendance fee of \$1,500 and an annual grant of 4,400 units of shares of restricted stock. Committee chairmen receive an annual retainer of \$5,000, except the chairman of the Audit Committee who receives an annual retainer of \$10,000,

and committee members receive a meeting attendance fee of \$1,000. Supervisory Director fees are more fully described under the caption Compensation of Directors .

We propose to increase the annual retainer of the non-executive Chairman of the Supervisory Board to \$120,000.

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The affirmative vote of a majority of the votes cast is required to adopt the proposal to establish the compensation of the Supervisory Director who serves as the non-executive Chairman of the Supervisory Board.

THE SUPERVISORY BOARD RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE PROPOSAL TO ESTABLISH THE COMPENSATION OF THE SUPERVISORY BOARD MEMBER WHO SERVES AS THE NON-EXECUTIVE CHAIRMAN OF THE SUPERVISORY BOARD.

ITEM 12

DISCUSSION OF DIVIDEND POLICY

Under the Dutch Corporate Governance Code, we are required to provide shareholders with an opportunity at our Annual Meeting to discuss our dividend policy and any major changes in that policy. Shareholders will not be entitled to adopt a binding resolution determining our future dividend policy.

Pursuant to our Articles of Association, the Management Board, with the approval of the Supervisory Board, may determine that an amount shall be reserved out of our annual profits. The portion of our annual profits that remains after such reservation is at the disposal of the general meeting of shareholders. Out of our share premium reserve and other reserves available for shareholder distributions under the law of the Netherlands, the general meeting of shareholders may declare distributions upon the proposal of the Management Board (after approval by the Supervisory Board). We may not pay dividends if the payment would reduce shareholders' equity below the aggregate nominal value of our common shares outstanding, plus the reserves required to be maintained pursuant to Dutch law or our Articles of Association. Although under Dutch law dividends are generally paid annually, the Management Board, with the approval of the Supervisory Board may, subject to certain statutory provisions, distribute one or more interim dividends or other interim distributions before the accounts for any year have been approved and adopted at a general meeting of shareholders in anticipation of the final dividend or final distribution. Cash dividends and distributions that have not been collected within five years after the date on which they become due and payable shall revert to the Company.

We have declared and paid in the past, and currently intend to declare and pay, regular quarterly cash dividends or distributions on our common shares; however, there can be no assurance that any such dividends or distributions will be declared or paid. The payment of dividends or distributions in the future will be subject to the discretion of our shareholders (in the case of annual dividends), our Management Board and our Supervisory Board and will depend upon general business conditions, legal and contractual restriction on the payment of dividends or distributions, and other factors. We will pay any cash dividends or distributions in U.S. dollars. Any cash dividends or distributions payable to holders of shares registered in our New York registry will be paid to The Bank of New York as New York Transfer Agent and Registrar.

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SHAREHOLDER PROPOSALS

Any proposal of a shareholder intended to be presented at the 2009 Annual Meeting of Shareholders must be received at our principal executive offices no later than December 11, 2008 if the proposal is to be considered for inclusion in our proxy statement relating to such meeting, without prejudice to the shareholders' rights to cause a general meeting of shareholders to be convened under article 34.2 of our Articles of Association and without prejudice to shareholders' rights under Dutch law to cause certain items to be placed on the agenda for Annual Meetings. Proposals from shareholders for next year's annual meeting received at our principal executive offices after February 22, 2009 will be considered untimely. With respect to such proposals, we will vote all shares for which the Company has received proxies in the interest of the Company as determined in the sole discretion of its proxies.

By Order of the Board of Supervisory Directors

/s/ Jerry H. Ballengee

Jerry H. Ballengee
Non-Executive Chairman of the Board of Supervisory Directors

The Hague, The Netherlands
April 8, 2008

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ANNEX A

Deed of Amendment to the Articles of Association

ATTORNEYS AT LAW, TAX ADVISORS AND CIVIL-LAW NOTARIES

**Baker & McKenzie
Amsterdam N.V.**

Claude Debussylaan 54
P.O. Box 2720
1000 CS Amsterdam
The Netherlands

Tel: +31 20 551 7555
Fax: +31 20 626 7949
www.bakernet.com

Draft dated March 20, 2007

AMENDMENT TO THE ARTICLES OF ASSOCIATION
CHICAGO BRIDGE & IRON COMPANY N.V.

On this day, the *** day of *** two thousand eight, appeared before me, Johannes Cornelis Christiaan Paans, a civil-law notary in Amsterdam, hereinafter referred to as: notary :

***.

The appearing person declared as follows:

The public limited liability company: **CHICAGO BRIDGE & IRON COMPANY N.V.**, with corporate seat in Amsterdam and with office address at Polarisavenue 31, 2132 JH Hoofddorp, hereinafter referred to as: the company , were most recently amended by notarial deed executed before Mark Peter Bongard, a civil-law notary in Amsterdam, on the twenty-fourth day of May two thousand five. The certificate of no-objection required by law was obtained with respect to a draft of said deed, by the order of the twentieth day of May two thousand five, number N.V. 579.328.

The company s articles of association now read as set forth upon the execution of the aforementioned deed of amendment to the articles of association of the company. On the *** day of *** two thousand eight, the general meeting of shareholders of the company resolved to amend the company s articles of association. A copy of the minutes of the aforementioned general meeting is attached to this deed.

In the above-mentioned resolution, the appearing person was given authority, among other things, to apply for the certificate of no-objection required by law with respect to the approved amendments to the company s articles of association and to execute and sign the deed of amendment to the articles of association.

The ministerial certificate of no-objection required by law was obtained by the order of the *** day of *** two thousand eight, number N.V. 579.328, which statement is attached to this deed.

In order to execute the resolution to amend the company s articles of association, the appearing person subsequently declared that he hereby amends the company s articles of association in such a manner that Article 40 paragraph 2 of the company s articles of association shall henceforth read as follows:

Article 40. Meeting rights. Admittance.

2. The record date referred to in paragraph 1 of this article cannot be fixed earlier than at a time on the thirtieth day, and not later than at a time on the third day, prior to the date of the general meeting of shareholders. The date on which the notification of the intention to attend the general meeting of shareholders shall have been given at the latest, referred to in paragraph 1 of this article, cannot be fixed earlier than at a time on the seventh day, and not later than at a time on the third day, prior to the date of the general meeting of shareholders. The convocation of the general meeting of shareholders will include said times, the place of the meeting, the proceedings for registration and/or notification and, if share certificates have been issued, share certificates must be lodged not later than on the date referred to in the convocation of the meeting, at the place referred to in such convocation.

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ATTORNEYS AT LAW, TAX ADVISORS AND CIVIL-LAW NOTARIES

Final Provision

The underlined headings in this deed have been included for ease of reference only.

The appearing person is known to me, notary,

WITNESSETH THIS DEED,

the original of which was drawn up and executed in Amsterdam on the date in the first paragraph of this deed. The substance of this deed was stated and clarified to the appearing person. The appearing person declared that she had taken note of the content of this deed timely before its execution, agreed to its content and did not require a full reading of this deed. Subsequently, after limited reading in accordance with the law, this deed was signed by the appearing person and me, notary.

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ANNEX B

**2008 Amendment
to the
Chicago Bridge & Iron
1999 Long-Term Incentive Plan**

The Board of Directors of Chicago Bridge & Iron Company, a Delaware corporation (CB&I), pursuant to the right reserved in the Company's 1999 Long-Term Incentive Plan, as previously amended and approved by the shareholders of the Company on May 13, 2005 (the Plan), hereby further amends the Plan as follows:

1. The name of the Plan is amended to be The Chicago Bridge & Iron Company 2008 Long-Term Incentive Plan.

2. Section 2.1 of the Plan is amended to read as follows:

1.1. Establishment of the Plan. Chicago Bridge & Iron Company, a Delaware corporation (CB&I), a wholly owned subsidiary of Chicago Bridge & Iron Company N.V., a Netherlands corporation (the Company), hereby establishes an incentive compensation plan to be known, effective upon the approval of the 2008 amendment to the Plan by the shareholders of the Company, as the Chicago Bridge & Iron Company 2008 Long-Term Incentive Plan (the Plan), as set forth in this document, as amended. The Plan permits the grant of Nonqualified Stock Options, Incentive Stock Options, Restricted Stock Shares, Restricted Stock Units, Performance Shares and Performance Units.

3. Section 2.33 of the Plan is amended to read as follows:

2.33. Restricted Stock Unit means a bookkeeping unit that represents the right of a Participant to be issued and to receive a Share upon lapse of risks of forfeiture and restrictions on such Units during the Period of Restriction.

4. Section 4.1 of the Plan is amended to read as follows:

4.1. Number of Shares Available For Grants. Subject to adjustment as provided in Section 4.3 herein, the number of Shares reserved for issuance to Participants under the Plan is 4,127,918, comprising 984,389 Shares available under the Plan immediately before the date of approval of the 2008 amendment to the Plan by the shareholders of the Company (the 2008 Approval Date), 143,529 Shares available under the Company's 1997 Long-Term Incentive Plan immediately before 2008 Approval Date, and 3,000,000 new Shares approved for issuance to Participants under the Plan as of the 2008 Approval Date. The maximum aggregate number of Shares with respect to which Awards may be granted in any fiscal year to any Participant in the form of Stock Options is 1,000,000. The maximum aggregate number of Shares with respect to which Awards may be granted in the form of Restricted Stock Shares, Restricted Stock Units, Performance Shares and Performance Units combined in any fiscal year to any Participant is 500,000.

5. The second paragraph of Section 7.4 of the Plan is amended to read as follows:

If the Restricted Stock Award is made in Restricted Stock Shares, CB&I shall retain the certificates representing Shares in CB&I's possession until the Vesting Date. If the Restricted Stock Award is made in Restricted Stock Units, no Shares shall be issued until the Vesting Date, but Shares shall be issued in respect of such Units as of the Vesting Date. In either case, certificates for Shares shall be delivered to the Participant on or as soon as practicable after the Vesting Date, but in no event later than the 15th day of the third month following the end of the taxable year of the Participant in which the Vesting Date occurs.

6. The first sentence of Section 8.4 of the Plan is amended to read as follows:

Payment of earned Performance Units/Shares shall be made in a single lump sum, as soon as practicable after the Committee has certified the number of Performance Units/Shares earned for the Performance Period, but in no event later than the 15th day of the third month following the end of the taxable year of the Participant in which the Participant's rights to such Units/Shares have become vested and nonforfeitable.

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7. The second sentence of Section 8.5 is amended to read as follows:

Payment of earned Performance Units/Shares shall be made at a time specified by the Committee in its sole discretion and set forth in the Participant's Award Agreement, but in no event later than the 15th day of the third month following the end of the taxable year of the Participant in which the Participant's rights to such Units/Shares have become vested and nonforfeitable.

8. Article 11 is amended to read as follows:

ARTICLE XI

Recovery of Certain Awards

If any of the Company's financial statements are required to be restated as a result of misconduct or fraud, the Company at the direction of the Organization and Compensation Committee of the Supervisory Board (O & C Committee) in its sole discretion may recover all or any portion of any Award that was paid (or in the case of any stock Award, the value of which was realized by sale of the stock) based on the financial results that were negatively affected by such restatement. For this purpose, misconduct or fraud includes any circumstance where forfeiture of an Award is required by law, and any other circumstance where the O&C Committee determines in its sole discretion that a Participant (i) personally and knowingly engaged in practices that materially contributed to a material noncompliance with any financial reporting requirement, or (ii) had knowledge of such material noncompliance or the circumstances giving rise to such noncompliance and failed to take reasonable steps to bring it to the attention of the appropriate individuals within the Company.

9. The amendments made by Paragraphs 3, 5, 6, 7 and 8 shall be effective January 1, 2008; and the amendments made by Paragraphs 1, 2 and 4 shall be effective on the date of, and subject to, the approval of this 2008 amendment to the Plan by the shareholders of the Company.

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ANNEX C

**Chicago Bridge & Iron
2008 Long-Term Incentive Plan**

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**Chicago Bridge & Iron
2008 Long-Term Incentive Plan**

ARTICLE 1.

Establishment, Objectives and Duration

1.1. *Establishment of the Plan.* Chicago Bridge & Iron Company, a Delaware corporation (*CB&I*), a wholly owned subsidiary of Chicago Bridge & Iron Company N.V., a Netherlands corporation (the *Company*), hereby establishes an incentive compensation plan to be known, effective upon the approval of the 2008 amendment to the Plan by the shareholders of the Company, as the *Chicago Bridge & Iron Company 2008 Long-Term Incentive Plan* (the *Plan*), as set forth in this document, as amended. The Plan permits the grant of Nonqualified Stock Options, Incentive Stock Options, Restricted Stock Shares, Restricted Stock Units, Performance Shares and Performance Units.

1.2. *Objectives of the Plan.* The objectives of the Plan are to optimize the profitability and growth of CB&I, the Company and their respective Subsidiaries, through incentives which are consistent with CB&I's goals and which link the personal interests of Participants to those of the Company's shareholders; to provide Participants with an incentive for excellence in individual performance; and to promote teamwork among Participants.

The Plan is further intended to provide flexibility to CB&I in its ability to motivate, attract, and retain the services of Participants who make significant contributions to CB&I's success and to allow Participants to share in the success of CB&I.

1.3. *Duration of the Plan.* The Plan shall become effective as of May 1, 2008 (the *Effective Date*), subject to its approval by the shareholders of the Company, and shall remain in effect, subject to the right of the Board of Directors to amend or terminate the Plan at any time pursuant to Article 14 hereof, until all Shares subject to it shall have been purchased or acquired according to the Plan's provisions.

ARTICLE 2.

Definitions

Whenever and wherever used in the Plan, the following terms shall have the meanings set forth below, and when the meaning is intended, the initial letter of the word shall be capitalized:

2.1. *Affiliate* shall have the meaning ascribed to such term in Rule 12b-2 of the General Rules and Regulations under the Exchange Act.

2.2. *Award* means, individually or collectively, a grant under this Plan of Nonqualified Stock Options, Incentive Stock Options, Restricted Stock Shares, Restricted Stock Units, Performance Shares or Performance Units.

2.3. *Award Agreement* means an agreement setting forth the terms and provisions applicable to an Award granted to a Participant under this Plan.

2.4. *Beneficial Owner or Beneficial Ownership* shall have the meaning ascribed to such term in Rule 13d-3 of the General Rules and Regulations under the Exchange Act.

2.5. *Board or Board of Directors* means the Board of Directors of CB&I.

2.6. *CB&I* means Chicago Bridge & Iron Company, a Delaware corporation and the sponsor of the Plan.

2.7. *Change in Control* unless otherwise defined in the Award Agreement or other written agreement between the Participant and the Company (or CB&I or the Committee), will be deemed to have occurred:

(a) Any Person, other than the Company, any Subsidiary or any employee benefit plan (or related trust) of the Company or any such Subsidiary, becomes the Beneficial Owner of 25% or more of the total voting power of the Company's outstanding securities;

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(b) During any period of two years or less, individuals who at the beginning of such period constituted the Supervisory Board of the Company cease for any reason to constitute at least a majority thereof; provided that any new member of the Supervisory Board who is nominated for election to the Supervisory Board with the approval of at least 75% of the other members then still in office who were members at the beginning of the period shall be considered for purposes of this paragraph (b) as having been a member at the beginning of such period; or

(c) Upon the consummation of (i) any merger or other business combination of the Company with or into another corporation pursuant to which the persons who were the shareholders of the Company immediately before such consummation do not own, immediately after such consummation, more than 70% of the voting power and the value of the stock of the surviving corporation in substantially the same respective proportions as their ownership of the common stock of the Company immediately prior to such consummation, or (ii) the sale, exchange or other disposition of all or substantially all the consolidated assets of the Company.

2.8. *Code* means the Internal Revenue Code of 1986, as amended from time to time.

2.9. *Committee* means the Committee appointed by the Board to administer the Plan as provided in Article 3 herein or, to the extent it functions as the Committee as provided in Article 3 herein, the Organization and Compensation Committee of the Supervisory Board.

2.10. *Company* means Chicago Bridge & Iron Company N.V., a Netherlands corporation, including, as may be applicable to the context, any and all Subsidiaries and Affiliates, and any successor thereto.

2.11. *Director* means any individual who is a member of the Board of Directors of CB&I or any Subsidiary or Affiliate.

2.12. *Disability* shall mean a mental or physical condition of a Participant which the Committee, on the basis of information satisfactory to it, finds to be a permanent condition which renders such member unfit to perform the duties of an Employee, as such duties shall be determined by the Committee. Any determination of whether any condition of a Participant constitutes Disability shall be made under rules uniformly applied to all Participants.

2.13. *Effective Date* shall have the meaning ascribed to such term in Section 1.3 hereof.

2.14. *Employee* means any employee of CB&I or the Company or their respective Subsidiaries and Affiliates. Directors who are not employed by any of the foregoing shall not be considered Employees under this Plan.

2.15. *Exchange Act* means the Securities Exchange Act of 1934, as amended from time to time, or any successor act thereto.

2.16. *Fair Market Value* of Shares as of any date shall be determined on the basis of the closing sale price of Shares on the principal securities exchange on which the Shares are traded or if there is no such sale on the relevant date, then on the last previous day on which a sale was reported.

2.17. *Fiscal Year* means a fiscal year of CB&I.

2.18. *Incentive Stock Option or ISO* means an option to purchase Shares which is designated as an Incentive Stock Option and which is intended to meet the requirements of Code Section 422, granted to a Participant pursuant to Article 6 herein.

2.19. *Named Executive Officer* means a Participant who, as of the last date of a taxable year of CB&I, is one of the group of covered employees, as defined in the regulations promulgated under Code Section 162(m), or any successor statute.

2.20. *Nonemployee Director* means an individual who is a member of the Supervisory Board but who is not an Employee.

2.21. *Nonqualified Stock Option or NQSO* means an option to purchase Shares which is not intended to meet the requirements of Code Section 422, granted to a Participant pursuant to Article 6 herein.

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- 2.22. *Option* means an Incentive Stock Option or a Nonqualified Stock Option.
- 2.23. *Option Price* means the price at which a Share may be purchased by a Participant pursuant to an Option.
- 2.24. *Optionee* means the Participant or, if the Participant has died, his or her Beneficiary, or other person determined under Section 6.9, entitled to exercise any Option.
- 2.25. *Participant* means an Employee, Nonemployee Director or nonemployee consultant to the Company who has outstanding an Award.
- 2.26. *Performance-Based Exception* means the performance-based exception from the tax deductibility limitations of Code Section 162(m).
- 2.27. *Performance Share* means an Award providing for the payment of a variable number of Shares depending on the achievement of performance goals, granted to a Participant pursuant to Article 8 herein.
- 2.28. *Performance Unit* means an Award providing for the payment of an amount based on either the Fair Market Value of Shares or the appreciation in Fair Market Value of Shares upon the achievement of performance goals, granted to a Participant, pursuant to Article 8 herein.
- 2.29. *Period of Restriction* means the period during which the transfer of Restricted Stock Shares or Restricted Stock Units is limited in some way (based on the passage of time, the achievement of performance goals, or upon the occurrence of other events, as determined by the Committee, at its discretion), and the Shares are subject to a substantial risk of forfeiture, as provided in Article 7 herein.
- 2.30. *Person* shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, and shall include a group as defined in Section 13(d) thereof.
- 2.31. *Restricted Stock* means Restricted Stock Shares or Restricted Stock Units.
- 2.32. *Restricted Stock Shares* means Shares which are issued and awarded to Participants subject to a substantial risk of forfeiture and restrictions on such Shares during the Period of Restriction as provided in Article 7 herein.
- 2.33. *Restricted Stock Unit* means a bookkeeping unit that represents the right of a Participant to be issued and to receive a Share upon lapse of risks of forfeiture and restrictions on such Units during the Period of Restriction.
- 2.34. *Retirement* means (i) a termination of employment after age 55 and at least a 10 year period of employment by CB&I or the Company or their respective present or former Subsidiaries or Affiliates, or a 30-year period of such employment, or age 65, or (ii) solely in the case of an individual who terminates service as a Nonemployee Director or service as a nonemployee consultant to the Company, such termination following the term of a Nonemployee Director or a resignation required by age limitation, or the expiration of the term of a consulting agreement; provided, however, that the Committee as part of an Award Agreement or otherwise may provide that for purposes of this Section, a Participant may be credited with such additional years of age and employment as the Committee in its sole discretion shall determine is appropriate, and may provide such additional or different conditions for Retirement as the Committee in its sole discretion shall determine is appropriate.
- 2.35. *Shares* means shares of common stock of the Company.

2.36. *Subsidiary* means any corporation in which CB&I or the Company owns directly, or indirectly through subsidiaries, at least 50% of the total combined voting power of all classes of stock, or any other entity (including, but not limited to, partnerships and joint ventures) in which CB&I or the Company owns at least 50% of the combined equity thereof.

2.37. *Supervisory Board* means the Supervisory Board of the Company.

2.38. *Vesting Date* means with respect to Restricted Stock and Restricted Stock Units the date (if any) on which the risks of forfeiture and restrictions on such Restricted Stock Shares or Units during the Period of

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Restriction have terminated (by their terms or by other action of the Committee consistent with this Plan) and all other conditions or restrictions applicable to such Restricted Stock Shares or Units have been satisfied.

ARTICLE 3.

Administration

3.1. *The Committee.* The Plan shall be administered by a Committee, the members of which shall be appointed from time to time by, and shall serve at the discretion of, the Board; provided, however, that (i) with respect to grants and Awards made or to be made to or held by any member of such Committee or any Named Executive Officer, the Plan shall be administered by the Organization and Compensation Committee of the Supervisory Board; and (ii) the Organization and Compensation Committee of the Supervisory Board may in its sole discretion exercise directly any power, right, duty or function of the Committee, including but not limited to the grant or amendment of an Award to any Employee, Nonemployee Director or nonemployee consultant to the Company.

3.2. *Authority of the Committee.* Except as limited by law or by the Certificate of Incorporation or Bylaws of CB&I, and subject to the provisions herein, the Committee shall have full power to select Employees, Nonemployee Directors and nonemployee consultants to the Company who shall participate in the Plan; determine the sizes and types of Awards; determine the terms and conditions of Awards in a manner consistent with the Plan; construe and interpret the Plan and any agreement or instrument entered into under the Plan as they apply to Employees; establish, amend, or waive rules and regulations for the Plan administration as they apply to Employees; and (subject to the provisions of Article 14 herein) amend the terms and conditions of any outstanding Award to the extent such terms and conditions are within the discretion of the Committee as provided in the Plan. Further, the Committee shall make all other determinations which may be necessary or advisable for the administration of the Plan. As permitted by law, the Committee may delegate its authority as specified herein.

3.3. *Decisions Binding.* All determinations and decisions made by the Committee pursuant to the Plan and all related orders and resolutions of the Board shall be final, conclusive and binding on all persons, including CB&I, the Company, their respective shareholders, Directors, members of the Supervisory Board, Employees, Participants, and their estates and beneficiaries.

ARTICLE 4.

Shares Subject to the Plan and Maximum Awards

4.1. *Number of Shares Available for Grants.* Subject to adjustment as provided in Section 4.3 herein, the number of Shares reserved for issuance to Participants under the Plan is 4,127,918, comprising 984,389 Shares available under the Plan immediately before the date of approval of the 2008 amendment to the Plan by the shareholders of the Company (the 2008 Approval Date), 143,529 Shares available under the Company's 1997 Long-Term Incentive Plan immediately before 2008 Approval Date, and 3,000,000 new Shares approved for issuance to Participants under the Plan as of the 2008 Approval Date. The maximum aggregate number of Shares with respect to which Awards may be granted in any fiscal year to any Participant in the form of Stock Options is 1,000,000. The maximum aggregate number of Shares with respect to which Awards may be granted in the form of Restricted Stock Shares, Restricted Stock Units, Performance Shares and Performance Units combined in any fiscal year to any Participant is 500,000.

4.2. *Forfeited and Reacquired Shares.* If any Shares subject to any Award are forfeited or such Award otherwise terminates without the issuance of such Shares or of other consideration in lieu of such Shares, the Shares subject to such Award, to the extent of any such forfeiture or termination, shall again be available for grant under the Plan. If Shares are applied to pay the Option price upon exercise of an Option or to satisfy federal, state or local tax

withholding requirements pursuant Section 15.2, the Shares so applied shall be added to the Shares permitted under the limitations of Section 4.1 in determining the number of Shares remaining for issuance and for grants of Awards with respect to such Shares under the Plan.

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4.3. *Adjustments in Authorized Shares.* In the event of any change in corporate capitalization, such as a stock split, or a corporate transaction, such as a merger, consolidation, separation, spin-off, or other distribution of stock or property of the Company, or any reorganization (whether or not such reorganization comes within the definition of such term in Code Section 368) or any partial or complete liquidation of the Company, the Committee shall adjust the number and class of Shares which may be issued under Section 4.1 and in the limitation of Section 4.1 on grants of Awards with respect to Shares, in the number, class and/or price of Shares subject to outstanding Awards, as the Committee in its sole discretion determines to be appropriate and equitable to prevent dilution or enlargement of rights; provided, however, that the number of Shares subject to any Award shall always be a whole number.

4.4. *Fractional Shares.* No fractional Shares shall be issued to Participants under the Plan. If for any reason an Award or adjustment thereto would otherwise result in the issuance of a fractional Share to a Participant, the Company shall pay the Participant in cash the Fair Market Value of such fractional Share.

ARTICLE 5.

Eligibility and Participation

5.1. *Eligibility.* Persons eligible to participate in this Plan include all Employees who are in salary grades 16 and above, including Employees who are members of the Board, Nonemployee Directors, and nonemployee consultants performing services for the Company.

5.2. *Actual Participation.* Subject to the terms and provisions of the Plan, the Committee may, from time to time, select from all eligible individuals those to whom Awards shall be granted and shall determine the nature and amount of each Award.

ARTICLE 6.

Stock Options

6.1. *Grant of Options.* Subject to the terms and provisions of the Plan, the Committee may grant Options to Participants in such number, and upon such terms, and at any time and from time to time, as the Committee in its discretion may determine; provided, however, that no Option intended to be an ISO may be granted to a Nonemployee Director or nonemployee consultant to the Company. The date an Option is granted shall be the day on which the Committee acts to award a specific number of Shares to a Participant at a specific Option Price, and shall be specified in each Award Agreement.

6.2. *Award Agreement.* Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the expiration date of the Option, the number of Shares to which the Option pertains, and such other provisions as the Committee shall determine. The Award Agreement also shall specify whether or not the Option is intended to be an ISO.

6.3. *Option Price.* The Option Price for each grant of an Option under this Plan shall be at least equal to 100% of the Fair Market Value of a Share on the date the Option is granted.

6.4. *Duration of Options.* Each Option shall expire at such time (not later than the 10th anniversary of its date of grant) as the Committee shall determine at the time of grant. If an Award Agreement does not specify an expiration date, the Option shall expire on the 10th anniversary of its date of grant.

6.5. *Exercise of Options.* Options shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall in each instance approve, which need not be the same for each grant or for each Participant.

6.6. *Payment.* If the Award Agreement does not otherwise specify the manner of exercise, Options shall be exercised by the delivery of a written notice of exercise to CB&I identifying the Option(s) being exercised, completed by the Optionee and delivered during regular business hours to the office of the Secretary of CB&I, or sent by certified mail to the Secretary of CB&I, accompanied by a negotiable check or other cash equivalent in full

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payment for the Shares. A copy of such notice of exercise shall also be delivered by the Optionee to the office of the Secretary of the Company.

In the discretion of the Committee and as set forth in the Award Agreement, the Optionee may pay the Option Price to CB&I upon exercise of any Option by tendering previously acquired Shares which have been held by the Optionee for at least six months and which have an aggregate Fair Market Value at the time of exercise equal to the total Option Price, or by a combination of such Shares and a check or other cash equivalent.

The Committee also may allow cashless exercise as permitted under Federal Reserve Board's Regulation T, subject to applicable securities law restrictions, or exercise by any other means which the Committee determines to be consistent with the Plan's purpose and applicable law.

Subject to any governing rules or regulations, as soon as practicable after receipt of a written notification of exercise and full payment, CB&I shall deliver, or have delivered, to the Optionee, in the Optionee's name, certificates for an appropriate number of Shares based upon the number of Shares purchased under the Option(s).

6.7. Restrictions on Share Transferability. The Committee may impose such restrictions on any Shares acquired pursuant to the exercise of an Option under this Article 6 as it may deem advisable, including, without limitation, restrictions under applicable securities laws and under the requirements of any stock exchange or market upon which such Shares are then listed and/or traded.

6.8. Termination of Employment. Each Participant's Option Award Agreement shall set forth the extent to which the Participant shall have the right to exercise the Option following termination of the Participant's employment as an Employee or service as a Nonemployee Director or service as a nonemployee consultant to the Company. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into with each Participant, need not be uniform among all Options issued pursuant to this Article 6, and may reflect distinctions based on the reasons for termination of employment.

6.9. Nontransferability of Options.

(a) Incentive Stock Options. No ISO may be sold, transferred, pledged, assigned, or otherwise alienated, other than by will or by the laws of descent and distribution. Further, all ISOs granted to a Participant under this Article 6 shall be exercisable during his or her lifetime only by such Participant or by designation of a Beneficiary in accordance with Article 10.

(b) Nonqualified Stock Options. Except as otherwise provided in a Participant's Award Agreement, no NQSO may be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, except as otherwise provided in a Participant's Award Agreement, all NQSOs granted to a Participant under this Article 6 shall be exercisable during his or her lifetime only by such Participant or by designation of a Beneficiary in accordance with Article 10.

ARTICLE 7.

Restricted Stock

7.1. Grant of Restricted Stock. Subject to the terms and provisions of the Plan, the Committee may grant Awards of Restricted Stock Shares or Restricted Stock Units to Participants in such amounts and upon such terms, and at any time and from time to time, as the Committee shall in its discretion determine.

7.2. *Restricted Stock Agreement.* Each Restricted Stock grant shall be evidenced by a Restricted Stock Award Agreement that shall specify whether the grant is an Award of Restricted Stock Shares or Restricted Stock Units, the Period(s) of Restriction, the number of Shares or Units of Restricted Stock granted, and such other provisions as the Committee shall determine.

7.3. *Transferability.* Except as otherwise provided in this Article 7, Restricted Stock Units may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated; and Restricted Stock Shares may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction established by the Committee and specified in the Restricted Stock Award Agreement, or upon earlier

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satisfaction of any other conditions, as specified by the Committee in its sole discretion and set forth in the Restricted Stock Award Agreement. Except as otherwise provided in this Article 7, Restricted Stock Shares shall become freely transferable by the Participant upon the Vesting Date, and Shares issued in respect of Restricted Stock Units shall be freely transferable by the Participant upon issuance to the Participant on or after the Vesting Date.

7.4. Other Restrictions. The Committee may impose such other conditions and/or restrictions on any Shares or Units of Restricted Stock granted pursuant to the Plan as it may deem advisable, including, without limitation, a requirement that Participants pay a stipulated purchase price at a stipulated time for each Share or Unit of Restricted Stock, restrictions and conditions of vesting or forfeiture based upon the achievement of specific performance goals (Company-wide, divisional, and/or individual), time-based restrictions on vesting following the attainment of the performance goals, and/or restrictions under applicable Federal or state securities laws.

If the Restricted Stock Award is made in Restricted Stock Shares, CB&I shall retain the certificates representing Shares in CB&I's possession until the Vesting Date. If the Restricted Stock Award is made in Restricted Stock Units, no Shares shall be issued until the Vesting Date, but Shares shall be issued in respect of such Units as of the Vesting Date. In either case, certificates for Shares shall be delivered to the Participant on or as soon as practicable after the Vesting Date, but in no event later than the 15th day of the third month following the end of the taxable year of the Participant in which the Vesting Date occurs.

7.5. Voting Rights. Unless otherwise provided in the Award Agreement, Participants awarded Restricted Stock Shares hereunder which have not been forfeited may exercise full voting rights with respect to those Shares during the Period of Restriction. Restricted Stock Units shall not confer any voting rights (unless and until Shares are issued therefor on or after the Vesting Date).

7.6. Dividend and Other Distributions. Unless otherwise provided in the Award Agreement, if during the Period of Restriction prior to a Vesting Date or forfeiture of Restricted Stock:

- (a) Cash dividends are paid on Shares, (i) the Company shall pay Participants holding Restricted Stock Shares the regular cash dividends paid with respect to the Shares; and (ii) the Company shall pay Participants holding Restricted Stock Units an amount equal to the cash dividends paid on an equivalent number of Shares;
- (b) Dividends in Shares are paid in Shares, (i) Participants holding Restricted Stock Shares shall be credited with such dividends as additional Restricted Stock Shares subject to the same restrictions as the underlying Shares; and (ii) Participants holding Restricted Stock Units shall be credited with additional Restricted Stock Units equivalent to such dividends, subject to the same restrictions as the underlying Units.

The Committee may in its discretion apply any restrictions to the dividends that the Committee deems appropriate.

7.7. Termination of Employment. Except as otherwise provided in the Award Agreement, if the Participant's employment as an Employee or service as a Nonemployee Director or nonemployee consultant to CB&I or the Company or their respective Subsidiaries and Affiliates terminates for any reason during the Period of Restriction, all Restricted Stock as to which the Period of Restriction has not yet expired or as to which a Vesting Date has not otherwise occurred shall be forfeited. The Committee in its discretion may set forth in the Award Agreement the extent to which the Participant shall nevertheless have the right to receive vested unrestricted Shares at or after termination of the Participant's employment as an Employee or service as a Nonemployee Director or nonemployee consultant. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into with each Participant, need not be uniform among all Shares or Units of Restricted Stock issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination of employment.

7.8. *Rights Personal to Participant.* All rights prior to the Vesting Date with respect to the Restricted Stock granted to a Participant under the Plan shall be available during his or her lifetime only to such Participant, or in the event of the Participant's death prior to the Vesting Date, to the Beneficiary designated in accordance with Article 10.

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ARTICLE 8.

Performance Units and Performance Shares

8.1. *Grant of Performance Units/Shares.* Subject to the terms and provisions of the Plan, the Committee may grant Awards of Performance Units and/or Performance Shares to Participants in such amounts and upon such terms, and at any time and from time to time, as the Committee shall in its discretion determine.

8.2. *Value of Performance Units/Shares.* Each Performance Unit shall have an initial value that is established by the Committee at the time of grant. The Committee shall set performance goals in its discretion which, depending on the extent to which they are met, will determine the number and/or value of Performance Units/Shares that will be paid out to the Participant. For purposes of this Article 8, the time period during which the performance goals must be met shall be called a Performance Period.

8.3. *Earning of Performance Units/Shares.* Subject to the terms of this Plan, after the applicable Performance Period has ended, the holder of Performance Units/Shares shall be entitled to receive payout on the number and value of Performance Units/Shares earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding performance goals have been achieved.

8.4. *Form and Timing of Payment of Performance Units/Shares.* Payment of earned Performance Units/Shares shall be made in a single lump sum, as soon as practicable after the Committee has certified the number of Performance Units/Shares earned for the Performance Period, but in no event later than the 15th day of the third month following the end of the taxable year of the Participant in which the Participant's rights to such Units/Shares have become vested and nonforfeitable. Subject to the terms of this Plan and except as otherwise provided in an Award Agreement, the Committee shall pay earned Performance Shares in Shares but may in its sole discretion pay earned Performance Units in the form of cash or in Shares (or in a combination thereof) which have an aggregate Fair Market Value equal to the value as of the date of distribution of the number of earned Performance Units at the close of the applicable Performance Period. Such Shares may be granted subject to any restrictions deemed appropriate by the Committee.

Unless otherwise provided in the Award Agreement, Participants shall be entitled to receive any dividends paid with respect to Shares which have been earned in connection with grants of Performance Units/Shares but not yet distributed to Participants, such dividends to be subject to the same terms and conditions as apply to dividends earned with respect to Restricted Stock, as set forth in Section 7.6 herein.

8.5. *Termination of Employment Due to Death, Disability, or Retirement.* Unless determined otherwise by the Committee and set forth in the Participant's Award Agreement, in the event the employment or service as a Nonemployee Director or nonemployee consultant of a Participant is terminated by reason of death, Disability, or Retirement during a Performance Period, the Participant shall receive a payout of the Performance Units/Shares in a reduced amount prorated according to the ratio of the length of Participant's employment or service in the Performance Period to the length of the Performance Period, as specified by the Committee in its discretion. Payment of earned Performance Units/Shares shall be made at a time specified by the Committee in its sole discretion and set forth in the Participant's Award Agreement, but in no event later than the 15th day of the third month following the end of the taxable year of the Participant in which the Participant's rights to such Units/Shares have become vested and nonforfeitable. Notwithstanding the foregoing, with respect to Named Executive Officers who retire during a Performance Period, payments shall be made at the same time as payments are made to Participants who did not terminate employment or service during the applicable Performance Period.

8.6. *Termination of Employment for Other Reasons.* In the event that a Participant's employment or service terminates for any reason other than those reasons set forth in Section 8.5 herein, all Performance Units/Shares shall be forfeited

by the Participant to CB&I unless determined otherwise by the Committee, as set forth in the Participant's Award Agreement.

8.7. *Nontransferability.* Except as otherwise provided in a Participant's Award Agreement, Performance Units/Shares may not be sold, transferred, pledged, assigned, or otherwise alienated, other than by will or by the laws of descent and distribution or by designation of a Beneficiary in accordance with Article 10. Further, except as

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otherwise provided in a Participant's Award Agreement, a Participant's rights under the Plan shall be exercisable during the Participant's lifetime only by the Participant or the Participant's legal representative.

ARTICLE 9.

Performance Measures

The performance measure(s) to be used for purposes of Awards to Named Executive Officers which are designed to qualify for the Performance-Based Exception shall be chosen from among operating income, earnings (either before or after any of interest, taxes, depreciation and amortization), net income (before or after taxes), after-tax return on investment, sales, revenues, earnings per share (excluding special charges, as reported to shareholders), total shareholder return, return on equity, total business return, return of invested capital, operating cash flow, free cash flow, economic value added, new business taken (measured by revenues, net income or operating income), and contract backlog, in each case where applicable determined either on a Company-wide basis or in respect of any one or more business units, including any fixed combination of those performance measures and using target levels or target growth rates of any of those performance measures.

The Committee shall have the discretion to adjust the determinations of the degree of attainment of the pre-established performance goals; provided, however, that Awards to Named Executive Officers, which are designed to qualify for the Performance-Based Exception, may not be adjusted upward (the Committee shall retain the discretion to adjust such Awards downward).

In the event that the Committee determines that it is advisable to grant Awards which shall not qualify for the Performance-Based Exception, the Committee may make such grants without satisfying the requirements of Code Section 162(m).

ARTICLE 10.

Beneficiary Designation

Each Participant under the Plan may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under the Plan is to be paid, to exercise any Stock Option, or succeed to the ownership of any Restricted Stock Performance Units/Shares or other Award as provided in this Plan, in case of his or her death before he or she receives any or all of such benefit. Each such designation shall revoke all prior designations by the same Participant, shall be in a form prescribed by the Committee, and will be effective only when filed by the Participant in writing with the Committee during the Participant's lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate.

ARTICLE 11.

Recovery of Certain Awards

If any of the Company's financial statements are required to be restated as a result of misconduct or fraud, the Company at the direction of the Organization and Compensation Committee of the Supervisory Board (O&C Committee) in its sole discretion may recover all or any portion of any Award that was paid (or in the case of any stock Award, the value of which was realized by sale of the stock) based on the financial results that were negatively affected by such restatement. For this purpose, misconduct or fraud includes any circumstance where forfeiture of an Award is required by law, and any other circumstance where the O&C Committee determines in its sole discretion that a Participant (i) personally and knowingly engaged in practices that materially contributed to a material

noncompliance with any financial reporting requirement, or (ii) had knowledge of such material noncompliance or the circumstances giving rise to such noncompliance and failed to take reasonable steps to bring it to the attention of the appropriate individuals within the Company.

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ARTICLE 12.

Rights of Employees

12.1. *Employment.* Nothing in the Plan shall interfere with or limit in any way the right of CB&I to terminate any Participant's employment at any time, nor confer upon any Participant any right to continue in the employ of CB&I.

12.2. *Participation.* No Employee, Nonemployee Director or nonemployee consultant shall have the right to be selected to receive an Award under this Plan, or, having been so selected, to be selected to receive a future Award.

ARTICLE 13.

Change in Control

13.1. *Treatment of Outstanding Awards.* Upon the occurrence of a Change in Control, unless otherwise specifically prohibited under applicable laws, or by the rules and regulations of any governing governmental agencies or national securities exchanges, or unless otherwise provided in an Award Agreement or other written agreement between a Participant and the Company (or CB&I or the Committee), then with respect to each Award outstanding on the date of the Change in Control:

(a) Any and all Options granted hereunder shall become immediately exercisable, and shall remain exercisable throughout their entire term;

(b) Any restriction periods and restrictions imposed on Restricted Shares shall lapse;

(c) The target payout opportunities attainable under all outstanding Awards of Restricted Stock, Performance Units and Performance Shares shall be deemed to have been fully earned for the entire Performance Period(s) as of the effective date of the Change in Control. The vesting of all Awards denominated in Shares shall be accelerated as of the effective date of the Change in Control, and there shall be paid out in cash to Participants within 30 days following the effective date of the Change in Control an amount based upon an assumed achievement of all relevant performance goals.

13.2. *Termination, Amendment, and Modifications of Change-in-Control Provisions.* Notwithstanding any other provision of this Plan or any provision of any Award Agreement, the provisions of this Article 13 may not be terminated, amended, or modified on or after the date of Change in Control to affect adversely any Award theretofore granted without the prior written consent of the Participant with respect to said Participant's outstanding Awards; provided, however, the Board, upon recommendation of the Committee, may terminate, amend, or modify this Article 13 at any time and from time to time prior to the date of a Change of Control.

ARTICLE 14.

Amendment, Modification, and Termination

14.1. *Amendment, Modification, and Termination.* The Board may at any time and from time to time, alter, amend, suspend or terminate the Plan in whole or in part.

14.2. *Adjustment of Awards Upon the Occurrence of Certain Unusual or Nonrecurring Events.* The Committee may make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 4.3 hereof) affecting CB&I or the

Company, or the financial statements of CB&I or the Company, or of changes in applicable laws, regulations or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

14.3. *Awards Previously Granted.* The Committee may amend or modify any outstanding Award Agreement in any manner consistent with this Plan for an original Award Agreement, provided, however, that no

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amendment or modification of an Award Agreement shall adversely affect in any material way the Award previously granted without the written consent of the Participant holding such Award. No termination, amendment or modification of the Plan shall adversely affect in any material way any Award previously granted without the written consent of the Participant holding such Award.

ARTICLE 15.

Withholding

15.1. *Tax Withholding.* CB&I shall have the power and the right to deduct or withhold, or require a Participant to remit to CB&I, an amount sufficient to satisfy Federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Plan.

15.2. *Share Withholding.* With respect to withholding required upon the exercise of Options, upon the lapse of restrictions on Restricted Stock, or upon any other taxable event arising as a result of Awards granted hereunder, Participants may elect, subject to the approval of the Committee, to satisfy the withholding requirement, in whole or in part, by having CB&I withhold Shares having a Fair Market Value on the date the tax is to be determined equal to the minimum statutory total tax which could be imposed on the transaction. All such elections shall be irrevocable, made in writing, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

ARTICLE 16.

Indemnification

Each person who is or shall have been a member of the Committee, or of the Board, shall be indemnified and held harmless by CB&I against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim action, suit, or proceeding to which he or she may be party or in which he or she may be involved by reasons of any action taken or failure to act under the Plan and against and from any and all amounts paid by him or her in settlement thereof, with CB&I's approval, or paid by him or her in satisfaction of any judgment of any such action, suit, or proceeding against him or her, provided he or she shall give CB&I an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Articles of Association, CB&I's Certificate of Incorporation or Bylaws, any agreement, as a matter of law, or otherwise, or any power that CB&I may have to indemnify them or hold them harmless.

ARTICLE 17.

Successors

All obligations of CB&I under the Plan with respect to Awards granted hereunder shall be binding on any successor to CB&I, whether such successor arises as a result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of CB&I.

ARTICLE 18.

Legal Construction

18.1. *Gender and Number.* Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular and the singular shall include the plural.

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18.2. *Severability.* In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

18.3. *Requirements of Law.* The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

18.4. *Securities Law Compliance.* Transactions under this Plan are intended to comply with all applicable conditions of Rule 16b-3 under the Exchange Act (or any successor rule). To the extent any provision of the Plan or action by the Committee fails to so comply, it shall be deemed null and void, to the extent permitted by law and deemed advisable by the Committee.

18.5. *Governing Law.* To the extent not preempted by federal law, the Plan and all agreements hereunder, shall be construed in accordance with and governed by the laws of the state of Illinois, without regard to its provisions regarding conflict of laws.

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1. To elect the Supervisory Board recommended slate of nominees: i) Gary L. Neale, ii) Marsha C. Williams, iii) J. Charles Jennett, and iv) Larry D. McVay as members of the Supervisory Board to serve until the Annual General Meeting of Shareholders in 2011 and until their successors shall have been duly appointed;

First position: 01 Gary L. Neale

OR

05 Luciano Reyes

Second position: 02 Marsha C. Williams

OR

06 Travis L. Stricker

Third position: 03 J. Charles Jennett

OR

07 Samuel C. Leventry

Fourth position: 04 Larry D. McVay

OR

08 David P. Bordages

2. To authorize the preparation of the Annual Accounts of the Company and the Annual Report in the English language and to adopt the Dutch Statutory Annual Accounts of the Company for the year ended December 31, 2007;
3. To discharge the sole member of the Management Board from liability in respect of the exercise of its duties during the year ended December 31, 2007;
4. To discharge the members of the Supervisory Board from liability in respect of the exercise of their duties during the year ended December 31, 2007;
5. To approve the final dividend for the year ended December 31, 2007;
6. To approve the extension of the authority of the Management Board to repurchase up to 10% of the issued share capital of the Company until November 8, 2009;
7. To appoint Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2008;
8. To approve the amendment of the Articles of Association to permit record dates up to 30 days prior to the date of a shareholder meeting;
9. To approve the amendment of the 1999 Long-Term Incentive Plan;
10. To approve the extension of the authority of the Supervisory Board to issue and/or grant rights to acquire shares (including options to subscribe for shares) and to limit or exclude the preemptive rights of shareholders of the Company until May 8, 2013;
11. To approve the compensation of the Supervisory Board member who serves as the non-executive chairman.

6 DETACH PROXY CARD HERE 6

**Complete, Sign,
Date and
Promptly Return
this
Proxy Card
Using the
Enclosed
Envelope.**

x

**Votes must be
indicated (x) in
Black
or Blue ink.**

| | For | | Withheld | | For Against Abstain | | For Against Abstain |
|---|-----------------------|---------------------------------------|-----------------------|--|----------------------------|--|----------------------------|
| 1 Vote FOR the election of the following nominees | <input type="radio"/> | Vote WITHHELD for all nominees | <input type="radio"/> | | | | |

SCANLINE
