

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE CHICAGO BRIDGE & IRON COMPANY)
N.V. SECURITIES)
LITIGATION)
_____))

CASE NO. 1:17-CV-1580

**[PROPOSED] PLAN OF
ALLOCATION**

**PROPOSED PLAN OF ALLOCATION OF
NET SETTLEMENT FUND AMONG CLASS MEMBERS**

This proposed Plan of Allocation has been prepared by Plaintiffs and Class Counsel with the assistance of their economics consultant. Defendants dispute that any damages were suffered by any Members of the Class.

The \$44,000,000 cash Settlement Amount and the interest earned thereon shall be the gross Settlement Fund. The gross Settlement Fund, less all taxes and approved costs, fees, and expenses (the “Net Settlement Fund”) shall be distributed to Members of the Class who submit acceptable Claim Forms (“Authorized Claimants”).

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

The following proposed Plan of Allocation reflects the allegations in the Amended Class Action Complaint (the “Complaint”) that Defendants made materially false and misleading statements and omissions regarding the performance of CB&I’s nuclear business and the sufficiency of its accounting and public disclosures concerning the same. The Complaint alleges that these misrepresentations resulted in the artificial inflation of the prices of the Company’s common stock during the Class Period from October 30, 2013 through June 23, 2015, inclusive. Defendants deny that they did anything wrong.

Each Authorized Claimant shall be paid based on the percentage of the Net Settlement Fund that each Authorized Claimant’s recognized loss bears to the total of the recognized losses of all Authorized Claimants (the “Pro Rata Share”).

Shares eligible for recognizable losses are those shares of CB&I’s common stock purchased or otherwise acquired in Covered Transactions from October 30, 2013 through June 23, 2015, inclusive.

“Covered Transaction” means either: (i) a transaction in CB&I common stock in the United States; or (ii) a transaction in CB&I common stock on a United States-based stock exchange.

CHICAGO BRIDGE AND IRON PROPOSED PLAN OF ALLOCATION

1. The objective of the proposed Plan of Allocation is to equitably distribute the Settlement proceeds to those Class Members who suffered economic losses as a result of the alleged violations of the federal securities laws as opposed to losses caused by market or industry factors or company-specific factors unrelated to the alleged violations of law. The proposed Plan of Allocation reflects the allegations of the Complaint and the advice of Plaintiffs’ damages expert, including a review of publicly available information regarding CB&I and statistical analysis of the price movements of CB&I common stock and the price performance of relevant market and peer indices during the Class Period. The proposed Plan of Allocation, however, is not a formal damages analysis.

2. The calculations made pursuant to the proposed Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the proposed Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the proposed Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the cash in the Net Settlement Fund to Authorized Claimants.

3. For losses to be compensable damages under the federal securities laws, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of the security. In this case, Plaintiffs allege that Defendants made false statements and omitted material facts from October 30, 2013 through June 23, 2015, inclusive, that inflated the price of CB&I common stock. It is alleged that multiple adverse disclosures released to the market between June 12, 2014 and June 23, 2015, impacted the market price of CB&I common stock and partially removed alleged artificial inflation from the CB&I common stock price on June 12, 2014, June 17, 2014, July 25, 2014, October 2, 2014, November 24, 2014, January 30, 2015, February 4, 2015, and June 23, 2015.

4. Recognized Loss Amounts for each disclosure date are the greater of: (a) the difference in the amount of alleged artificial inflation (net of market and industry factors) in the price of CB&I common stock at the time of purchase or acquisition and at the time of sale, or the difference between the actual purchase price and sale price for shares sold prior to the expiration of the 90-day lookback period; or (b) \$0.25. Accordingly, in order to have a Recognized Loss under the proposed Plan of Allocation, a Settlement Class Member who or which purchased or otherwise acquired CB&I common stock during the Class Period must have held those shares through at least one of the dates where Plaintiffs allege new corrective information was released to the market and partially removed the alleged artificial inflation from the price of CB&I common stock.

CALCULATION OF RECOGNIZED LOSS

5. A Recognized Loss Amount will be calculated for each share of CB&I common stock purchased or acquired during the Class Period from October 30, 2013, through June 23, 2015, inclusive. If the calculation of a Recognized Loss Amount for any particular share purchased or acquired during the Class Period results in a negative number, that number shall be set to zero.

6. For each share of CB&I common stock purchased or otherwise acquired during the Class Period, and:

- i. sold before June 12, 2014, the Recognized Loss Amount for each share shall be zero;
- ii. sold from June 12, 2014 through and including the close of market trading on June 23, 2015, the Recognized Loss Amount for each share is *the lesser of*: (i) the amount of artificial inflation per share on the date of purchase/acquisition as stated in Table 1 below **minus** the amount of artificial inflation per share on the date of sale as stated in Table 1 below; or (ii) the purchase/acquisition price **minus** the sale price;
- iii. sold from June 24, 2015 through and including the close of market trading on September 21, 2015, the Recognized Loss Amount for each share is *the least of*: (i) the amount of artificial inflation per share on the date of purchase/acquisition as stated in Table 1 below; (ii) the purchase/acquisition price **minus** the average closing price between June 24, 2015 and the date of sale as stated in Table 2 below;¹ or (iii) the purchase/acquisition price **minus** the sale price;

¹ Pursuant to Section 21D(e)(1) of the Exchange Act, “in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market.” Consistent with the requirements of the Exchange Act, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of CB&I common stock during the “90-day look-back period,” June 24, 2015 through and including September 21, 2015. The mean (average) closing price for CB&I common stock during this 90-day look-back period was \$47.42.

- iv. held as of the close of market trading on September 21, 2015, the Recognized Loss Amount for each share is *the lesser of*: (i) the amount of artificial inflation per share on the date of purchase/acquisition as stated in Table 1 below; or (ii) the purchase/acquisition price **minus** \$47.42, the average closing price of CB&I common stock between June 24, 2015, and September 21, 2015, as shown on the last line of Table 2 below.

ADDITIONAL PROVISIONS

7. The sum of a Claimant's Recognized Loss Amounts will be the Claimant's "Recognized Claim."
8. If a Class Member has more than one purchase/acquisition or sale of CB&I common stock during the Class Period, all purchases/acquisitions and sales shall be matched on a First In, First Out ("FIFO") basis. Class Period sales will be matched first against any holdings at the beginning of the Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.
9. Purchases or acquisitions of CB&I common stock shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, inheritance or operation of law of CB&I common stock during the Class Period shall not be deemed a purchase, acquisition, or sale of these CB&I common stock shares for the calculation of an Authorized Claimant's Recognized Claim, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of such shares of CB&I common stock unless (i) the donor or decedent purchased or otherwise acquired such shares of CB&I common stock during the Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such shares of CB&I common stock; and (iii) it is specifically so provided in the instrument of gift or assignment.
10. The date of covering a "short sale" is deemed to be the date of purchase or acquisition of the CB&I common stock shares. The date of a "short sale" is deemed to be the date of sale of CB&I common stock. In accordance with the proposed Plan of Allocation, however, the Recognized Loss Amount on "short sales" and the purchases/acquisitions covering "short sales" is zero. In the event that a Claimant has an opening short position in CB&I common stock, the earliest Class Period purchases or acquisitions shall be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.
11. With respect to CB&I common stock purchased or sold through the exercise of an option, the purchase/sale date of the common stock is the exercise date of the option and the purchase/sale price is the exercise price of the option.
12. An Authorized Claimant's Recognized Claim shall be the amount used to calculate the Authorized Claimant's *pro rata* share of the Net Settlement Fund. If the sum total of Recognized Claims of all Authorized Claimants who are entitled to receive payment out of the Net Settlement Fund is greater than the Net Settlement Fund, each Authorized Claimant shall receive his, her, or its *pro rata* share of the Net Settlement Fund. The *pro rata* share shall be the Authorized Claimant's Recognized Claim divided by the total of Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.
13. The Net Settlement Fund will be allocated among all Authorized Claimants whose prorated payment is \$20 or greater. If the prorated payment to any Authorized Claimant calculates to less than \$20, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.
14. After the initial distribution of the Net Settlement Fund, the Claims Administrator will make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the Net Settlement Fund six (6) months after the initial distribution, if Class Counsel, in consultation with the Claims Administrator, determine that it is cost-effective to do so, the Claims Administrator will conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$20 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10 on such additional re-distributions may occur thereafter if Class Counsel, in consultation with the Claims Administrator, determine that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance will be

contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s), to be recommended by Class Counsel and approved by the Court.

15. Payment pursuant to the proposed Plan of Allocation, or such other plan as may be approved by the Court, shall be conclusive against all Authorized Claimants. No person shall have any claim against Lead Plaintiff, Additional Plaintiffs, Plaintiffs' Counsel, Plaintiff's damages expert, or other agent designated by Class Counsel, Defendants, Defendants' Counsel, or any other Plaintiffs' Releasees or Defendants' Releasees, or the Claims Administrator arising from determinations or distributions to Claimants made substantially in accordance with the Stipulation, the Plan of Allocation approved by the Court, or further Orders of the Court. Plaintiffs, Defendants, and their respective counsel, and all of Plaintiffs' Releasees or Defendants' Releasees shall have no liability whatsoever for the investment or distribution of the Settlement Fund, the Plan of Allocation, the determination, administration, calculation, or payment of any Claim or any actions taken (or not taken) by the Claims Administrator, the payment or withholding of taxes owed by the Settlement Fund, or any losses incurred in connection therewith.

16. The proposed Plan of Allocation set forth herein is the plan that is being proposed by the Plaintiffs and Class Counsel to the Court for approval. The Court may approve this Plan of Allocation as proposed or it may modify the Plan without further notice to the Settlement Class. Any orders regarding a modification of the proposed Plan of Allocation will be posted to the website for this Settlement, www.chicagobridgeironsecuritieslitigation.com.

TABLE 1**Common Share Alleged Artificial Inflation**

Transaction Date:	Alleged Artificial Inflation Per Share:
June 23, 2013 – June 11, 2014	\$18.77
June 12, 2014 – June 16, 2014	\$16.07
June 17, 2014 – July 24, 2014	\$10.16
July 25, 2014 – October 1, 2014	\$4.64
October 2, 2014 – November 23, 2014	\$3.26
November 24, 2014 – January 29, 2015	\$3.26
January 30, 2015 – February 3, 2015	\$0.25 ²
February 4, 2015 – June 23, 2015	\$0.25

TABLE 2**CB&I Common Share Price and Average 90-Day Look-Back Price
June 24, 2015 – September 21, 2015**

Date:	CB&I Common Stock Closing Price:	CB&I Common Stock Average Closing Price Between June 24, 2015 and Date Shown Closing Price:
June 24, 2015	\$53.00	\$53.00
June 25, 2015	\$51.96	\$52.48
June 26, 2015	\$52.62	\$52.53
June 29, 2015	\$49.63	\$51.80
June 30, 2015	\$50.04	\$51.45
July 1, 2015	\$50.17	\$51.24
July 2, 2015	\$49.89	\$51.04
July 6, 2015	\$47.61	\$50.62
July 7, 2015	\$47.60	\$50.28
July 8, 2015	\$44.86	\$49.74
July 9, 2015	\$45.48	\$49.35
July 10, 2015	\$46.45	\$49.11
July 13, 2015	\$46.22	\$48.89
July 14, 2015	\$48.20	\$48.84
July 15, 2015	\$48.06	\$48.79
July 16, 2015	\$48.90	\$48.79
July 17, 2015	\$48.49	\$48.78
July 20, 2015	\$48.61	\$48.77
July 21, 2015	\$48.95	\$48.78
July 22, 2015	\$47.77	\$48.73
July 23, 2015	\$46.76	\$48.63
July 24, 2015	\$48.80	\$48.64
July 27, 2015	\$47.98	\$48.61
July 28, 2015	\$50.78	\$48.70
July 29, 2015	\$52.42	\$48.85

² The proposed Plan of Allocation acknowledges that dates following January 30, 2015 were determined to be not corrective by the Special Master in a Report & Recommendation adopted by the Court and were not determined corrective in the loss causation expert reports issued by each sides' experts. For that reason, and because purchasers who made purchases after January 30, 2015 but before the end of the Class Period (unless they exclude themselves) will nonetheless be bound by the releases of this Settlement, a nominal inflation of \$0.25 has been assigned to that period.

Date:	CB&I Common Stock Closing Price:	CB&I Common Stock Average Closing Price Between June 24, 2015 and Date Shown Closing Price:
July 30, 2015	\$53.15	\$49.02
July 31, 2015	\$53.14	\$49.17
August 3, 2015	\$52.18	\$49.28
August 4, 2015	\$52.36	\$49.38
August 5, 2015	\$52.09	\$49.47
August 6, 2015	\$51.78	\$49.55
August 7, 2015	\$52.27	\$49.63
August 10, 2015	\$53.26	\$49.74
August 11, 2015	\$52.58	\$49.83
August 12, 2015	\$53.20	\$49.92
August 13, 2015	\$51.87	\$49.98
August 14, 2015	\$51.78	\$50.02
August 17, 2015	\$49.38	\$50.01
August 18, 2015	\$48.96	\$49.98
August 19, 2015	\$48.86	\$49.95
August 20, 2015	\$45.33	\$49.84
August 21, 2015	\$42.91	\$49.68
August 24, 2015	\$40.14	\$49.45
August 25, 2015	\$39.42	\$49.23
August 26, 2015	\$40.65	\$49.03
August 27, 2015	\$43.26	\$48.91
August 28, 2015	\$43.75	\$48.80
August 31, 2015	\$44.28	\$48.71
September 1, 2015	\$42.77	\$48.58
September 2, 2015	\$43.27	\$48.48
September 3, 2015	\$44.06	\$48.39
September 4, 2015	\$43.09	\$48.29
September 8, 2015	\$43.65	\$48.20
September 9, 2015	\$42.56	\$48.10
September 10, 2015	\$42.34	\$47.99
September 11, 2015	\$42.49	\$47.89
September 14, 2015	\$41.92	\$47.79
September 15, 2015	\$42.82	\$47.70
September 16, 2015	\$43.72	\$47.64
September 17, 2015	\$43.41	\$47.57
September 18, 2015	\$42.60	\$47.48
September 21, 2015	\$43.73	\$47.42