CHICAGO BRIDGE & IRON CO N V
Form DEF 14A
April 15, 2005

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant þ
Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement
o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
þ Definitive Proxy Statement
o Definitive Additional Materials
o 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):

þ No fee required.
o Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

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o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

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CHICAGO BRIDGE & IRON COMPANY N.V.
POLARISAVENUE 31
2132 JH HOOFDDORP, THE NETHERLANDS
NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD MAY 13, 2005

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

You are hereby notified that the Annual General Meeting of Shareholders of Chicago Bridge & Iron Company N.V. (the Company) will be held at Amstel Inter-Continental Hotel Amsterdam, Prof. Tulpplein 1, 1018 GX Amsterdam, The Netherlands, at 2:00 P.M., local time, on Friday, May 13, 2005, for the following purposes:

1. To elect three members of the Supervisory Board to serve until the Annual General Meeting of Shareholders in 2008 and until their successors shall have been duly appointed. The Supervisory Board recommends the election of J. Charles Jennett, Gary L. Neale and Marsha C. Williams to fill these positions;

2. To authorize the preparation of the Dutch Statutory Annual Accounts of the Company and the annual report of the Management Board in the English language, to discuss the annual report of the Management Board for the year ended December 31, 2004 and to adopt the Dutch Statutory Annual Accounts of the Company for the year ended December 31, 2004;

3. To discharge the members of the Management Board from liability in respect of the exercise of their duties during the year ended December 31, 2004;

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, 2004;

5. To resolve on the final dividend for the year ended December 31, 2004, in an amount of $0.16 per share plus a distribution in kind of one share for each outstanding share, all of which have previously been paid out to shareholders in the form of interim dividends;

6. To approve a compensation policy for the Management Board whereby the Management Board will not be entitled to any compensation;

7. To determine the compensation of the Supervisory Directors who are not employees including an increase in the annual retainer for all Supervisory Directors from $25,000 to $30,000 and an increase in the additional annual retainer for the chairman of the Audit Committee from $5,000 to $10,000;

8. To approve the extension of the authority of the Management Board, acting with the approval of the Supervisory Board, to repurchase up to 10% of the issued share capital of the Company until November 13, 2006 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 recently available (as of the time of repurchase) price of a share on any securities exchange where the Company s shares are traded;

9. To approve the extension of the authority until May 13, 2010 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 the preemptive rights of shareholders of the Company with respect to the issuance of shares and the grant of the right to acquire shares;

10. To amend our Articles of Association to increase the amount of the authorized share capital 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 &

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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 no objection and to have executed and to sign the deed of amendment of the Articles of Association;

11. To adopt an amendment to the Chicago Bridge & Iron 1999 Long-Term Incentive Plan;

12. To adopt an amendment to the Chicago Bridge & Iron Incentive Plan;

13. To ratify the appointment of the Company s independent public accountants for the year ending December 31, 2005;

14. Discussion of compliance with the Corporate Governance Code adopted by the Dutch Corporate Governance Committee on December 9, 2003 (the Dutch Corporate Governance Code); and

15. Discussion of the Company s dividend policy.

Copies of the Dutch Statutory Annual Accounts, the annual report of the Management Board and the draft deed of amendment of the Company s Articles of Association can be accessed through our website, www.cbi.com, and may be obtained free of charge by shareholders and other persons entitled to attend general meetings of shareholders of the Company at the offices of the Company at Polarisavenue 31, 2132 JH Hoofddorp, The Netherlands; and at the Bank of New York, 620 Avenue of the Americas, New York, New York 10011 from the date hereof until the close of the Annual Meeting.

Holders of registered shares of record at the close of business on April 6, 2005 are entitled to receive notice of and to vote at the Annual Meeting. Shareholders must give notice to the Management Board of their intention to attend the Annual Meeting in writing prior to May 6, 2005. The share transfer books will not be closed. Admittance of shareholders and acceptance of written voting proxies shall be governed by Dutch law.

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.

Walter G. Browning
Secretary

April 14, 2005

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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 15, 2005, is furnished in connection with the solicitation of proxies on behalf of the Supervisory Board 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 May 13, 2005, 2:00 p.m., local time (the Annual Meeting), for the purposes set forth in the foregoing notice.

Each share entitles the holder thereof to one vote on each matter submitted to a vote at the 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 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. Jennett and Neale and Ms. Williams as Supervisory Directors and for all proposals described in this proxy statement.

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

Only holders of record of the 97,843,854 registered shares of our share capital, par value Euro 0.01 (the common shares or shares), issued at the close of business on April 6, 2005, are entitled to notice of and to vote at the meeting. Except where the context otherwise indicates, the information contained in this proxy statement has been adjusted to reflect a two-for-one stock split effected in the form of a stock dividend on or about March 31, 2005. Shareholders must give notice in writing to the Management Board of their intention to attend the Annual Meeting prior to May 6, 2005. 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 telefax, 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.

ITEM 1
ELECTION OF SUPERVISORY DIRECTORS

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 general meeting. The Supervisory Board has determined to maintain the number of Supervisory directors at eight. 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 has 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. Members of the Supervisory Board must retire no later than at the general meeting of shareholders held after a period of three years following their appointment, but may be reelected. A member of the Supervisory Board must resign effective the date of the annual general meeting of shareholders in the year in which the director attains the age of 72. The members of the Supervisory Board receive such compensation for their services as Supervisory Directors as may be determined by the general meeting of shareholders.

The Supervisory Board believes that there should be a significant majority of independent directors on the Supervisory Board, and generally no more than one management director. An independent director means a member of the Supervisory Board who, in conformity with 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 in 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. 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 five 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 past five 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 that 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 all members of the Supervisory Board, except Mr. Glenn, who is our chief executive officer, are independent. The Supervisory Board has also determined that all members of the Supervisory Board other than Mr. Glenn are independent as that term is defined by the Dutch Corporate Governance Code.

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. This means that votes cast for any persons other than the nominees listed below will not be counted. However, 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.

Three members of the Supervisory Board are to be elected who will serve until the general meeting of shareholders in 2008. For one position, the Supervisory Board has proposed the election of J. Charles Jennett or David P. Bordages. For the second position, the Supervisory Board has proposed the election of Gary L. Neale or

Samuel C. Leventry. For the third position, the Supervisory Board has proposed the election of

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Marsha C. Williams or Richard A. Byers. Messrs. Jennett and Neale and Ms. Williams are presently members of the Supervisory Board. Messrs. Bordages, Leventry and Byers are presently our employees.

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

The Supervisory Board is recommending re-election of these nominees to the Supervisory Board on the basis of their extensive professional knowledge and experience, the outstanding service they have provided the Company to date as Supervisory Directors, and the knowledge and experience of the Company and its business gained by them through their service as Supervisory Directors since 1997.

Certain information with respect to the nominees for Supervisory Director and the five Supervisory Directors whose terms do not expire this year is as follows:

The Following Nominations are Made for Three-Year Terms Expiring in 2008:

First Position

First Nominee

J. Charles Jennett, 64, has served as a Supervisory Director of the Company since April, 1997. Dr. Jennett is a private engineering consultant. He served as President of Texas A&M International University from 1996 to 2001, when he became President Emeritus. He was Provost and Vice President of Academic Affairs at Clemson University from 1992 through 1996. Dr. Jennett is a member of the Supervisory Board s Nominating Committee, Organization and Compensation Committee and Corporate Governance Committee.

Second Nominee

David P. Bordages, 54, has served as Vice President-Human Resources and Administration of Chicago Bridge & Iron Company since February 25, 2002. Mr. Bordages was Vice President-Human Resources of the Fluor Corporation from April, 1989 through February, 2002.

Second Position

First Nominee

Gary L. Neale, 65, has served as a Supervisory Director of the Company since April, 1997. He is currently CEO and Chairman of the Board of NiSource, Inc., whose primary business is the transportation and distribution of natural gas and generation and distribution of electricity. Mr. Neale has served as a director of NiSource, Inc. since 1991, a director of Northern Indiana Public Service Company since 1989 and a director of Modine Manufacturing Company (heat transfer products) since 1977. Mr. Neale is Chairman of the Supervisory Board s Corporate Governance Committee and a member of the Organization and Compensation Committee.

Second Nominee

Samuel C. Leventry, 55, has served as Vice President-Technology Services of Chicago Bridge & Iron Company since January, 2001. Prior to that, he was Vice President-Engineering from April, 1997 to January, 2001, Product Manager-Pressure Vessels and Spheres from April, 1995 to April, 1997 and Product Engineering Manager-Special Plate Structures for Chicago Bridge & Iron Company. Mr. Leventry has been employed by Chicago Bridge & Iron Company for over 34 years in various engineering positions.

Third Position

First Nominee

Marsha C. Williams, 54, has served as a Supervisory Director of the Company since April, 1997. Since August, 2002, she has served as Executive Vice President and Chief Financial Officer of Equities Office Properties Trust, a public real estate investment trust that is an owner and manager of office buildings. From

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May, 1998, to August, 2002, she served as Chief Administrative Officer of Crate & Barrel, a specialty retail company. Prior to that, she served as Vice President and Treasurer of Amoco Corporation from December, 1997 to May, 1998, and Treasurer from 1993 to 1997. Ms. Williams is a director of Selected Funds, Davis Funds and Modine Manufacturing Company (heat transfer products). Ms. Williams is Chairman of the Supervisory Board s Audit Committee and a member of the Corporate Governance Committee.

Second Nominee

Richard A. Byers, 57, has served as Vice President and Treasurer of Chicago Bridge & Iron Company since November, 2003. Mr. Byers was Chief Financial Officer of Pitt-Des Moines, Inc. from April, 1987 to March, 2002.

Supervisory Directors to Continue in Office with Terms Expiring in 2007:

Jerry H. Ballengee, 67, has served as a Supervisory Director of the Company since April, 1997. Since October, 2001, he has served as Chairman of the Board of Morris Material Handling Company (MMH). Mr. Ballengee served as President and Chief Operating Officer of Union Camp Corporation from July, 1994 to May, 1999, and served in various other executive capacities and as a member of the Board of Directors of Union Camp Corporation from 1988 until 1999, when the company was acquired by International Paper Company. He is Chairman of the Supervisory Board s Nominating Committee and a member of the Corporate Governance Committee and Audit Committee.

L. Donald Simpson, 69, has served as a Supervisory Director of the Company since April, 1997. From December, 1996 to December, 1999, Mr. Simpson served as Executive Vice President of Great Lakes Chemical Corporation. Prior thereto, beginning in 1992, he served in various executive capacities at Great Lakes Chemical Corporation. He is a member of the Supervisory Board s Organization and Compensation Committee and Corporate Governance Committee.

Supervisory Directors to Continue in Office with Terms Expiring in 2006:

Gerald M. Glenn, 62, has served as Chairman of the Supervisory Board of the Company since April, 1997. He has been President and Chief Executive Officer of Chicago Bridge & Iron Company since May, 1996 and has been a Managing Director of Chicago Bridge & Iron Company B.V. since March, 1997. Since April, 1994, Mr. Glenn has been a principal in the Glenn Group LLC. From November, 1986 to April, 1994, he served as Group President-Fluor Daniel, Inc.

Vincent L. Kontny, 67, has served as a Supervisory Director of the Company since April, 1997. He retired in 2002 as Chief Operating Officer of Washington Group International (serving in such position since April, 2000), which filed a petition under Chapter 11 of the U.S. Bankruptcy Code on May 14, 2001. Since 1992 he has been the owner and CEO of the Double Shoe Cattle Company. Mr. Kontny was President and Chief Operating Officer of Fluor Corporation from 1990 until September, 1994. Mr. Kontny is Chairman of the Supervisory Board s Organization and Compensation Committee and is a member of the Audit Committee and Corporate Governance Committee.

L. Richard Flury, 57, has served as a Supervisory Director of the Company since May 8, 2003 and was consultant to the Supervisory Board from May, 2002 to May, 2003. He retired from his position as Chief Executive, Gas and Power for BP plc on December 31, 2001, which position he had held since June, 1999. Prior to the integration of Amoco and BP, he served as Executive Vice President of Amoco Corporation with chief executive responsibilities for the Exploration and Production sector from January, 1996 to December, 1998. He also served in various other executive capacities with Amoco since 1988. He is a director of the Questar Corporation and Callon Petroleum, and Trustee of Thunderbird Gavin School of International Management. He is a member of the Audit Committee, the Nominating Committee and the Corporate Governance Committee.

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COMMITTEES OF THE SUPERVISORY BOARD

Audit Committee

The Audit Committee is composed of a minimum of three 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. The current members of the Audit Committee are Ms. Williams (chairman) and Messrs. Ballengee, Flury and Kontny. The Audit Committee functions under a charter that can be accessed through our website, www.cbi.com. The Supervisory Board has determined that Ms. Williams, Chairman of the Audit Committee, 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. Ballengee, Flury and Kontny possess the necessary level of financial literacy required to enable them to serve effectively as Audit Committee members. No Audit Committee member serves on more than three audit committees of public companies, except Ms. Williams, who serves on four audit committees of public companies. Our Supervisory Board has determined that such simultaneous service does not impair the ability of Ms. Williams to effectively serve on our Audit Committee. 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 four times during 2004. 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 accountants qualifications and independence;
- the performance of our independent public accountants and our internal audit function; and
- our system of disclosure and internal controls regarding finance, accounting, legal compliance and ethics.

It also has responsibility for:

- the nomination, evaluation, retention and dismissal of our independent accountants; and
- pre-approval of all auditing services and allowable non-audit services provided to us by our independent accountants.

The Audit Committee has adopted policies and procedures for pre-approving all audit and permissible non-audit services performed by our independent public accountants. Under these policies, the Audit Committee pre-approves the use of audit and audit-related services following approval of the independent public accountants audit plan. All services detailed in the audit plan are considered pre-approved. The Audit Committee monitors the audit services engagement as necessary, but not less than quarterly, and 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. If 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 fee overruns are monitored by the Audit Committee at its quarterly meeting.

Audit Fees

For the years ended December 31, 2004 and 2003, we incurred the following fees for services rendered by our independent public accountants, Deloitte & Touche LLP:

Fees	2004	2003
Audit Fees(1)	$ 3,688,300	$ 1,267,934
Audit-Related Fees(2)	83,800	883,230
Tax Fees(3)	1 ,250,658	1,669,954
All Other Fees(4)	55,000	111,300
Total	$ 5,077,758	$ 3,932,418

(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; comfort letters, statutory and regulatory audits and consents; and other services related to SEC matters.

(2) Audit-Related Fees consist of fees for due diligence associated with acquisitions; financial accounting and reporting consultations; information systems reviews; Sarbanes-Oxley Act Section 404 advisory services; internal control reviews; employee benefit plan audits; and opening balance sheet audits/review of acquisitions.

(3) Tax Fees consist of fees for tax compliance, tax planning and advice based upon facts already in existence or transactions that have already occurred to document, compute and obtain government approval for amounts to be included in tax filings and consist of Federal, state and local income tax return assistance; sales and use, property and other tax return assistance; assistance with tax return filings in certain foreign jurisdictions; transfer pricing documentation; and preparation of expatriate tax returns. Tax fees also consist of services rendered with respect to proposed transactions and consist of tax advice related to structuring certain proposed mergers, acquisitions and disposals; and an intra-group restructuring.

(4) All Other Fees consist of permitted non-audit services, such as merger software modeling assistance.

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

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

Report of the Audit Committee of the Supervisory Board of Chicago Bridge & Iron Company N.V.

The following is the report of the Audit Committee with respect to our audited financial statements for the year ended December 31, 2004:

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, 2004.

We have discussed with the independent public accountants the matters required to be discussed by Statement on Auditing Standards No. 61, *Communication with Audit Committees*, as amended, by the Auditing Standards Board of the American Institute of Certified Public Accountants.

We have received and reviewed the written disclosures and the letter from the independent public accountants required by Independence Standard No. 1, *Independence Discussions with Audit Committees*, as amended, by the Independence Standards Board, and have discussed with the independent public accountants their independence. The Audit Committee has also reviewed the non-audit services provided by Deloitte & Touche LLP, as described above and considered whether the provision of those services was compatible with maintaining Deloitte & Touche s independence.

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Based on the reviews and discussions referred to above, we recommend to the Supervisory Board that the financial statements referred to above be included in the Company s Annual Report on Form 10-K for the year ended December 31, 2004.

Members of the Audit Committee:

Marsha C. Williams *(Chairman)*
Jerry H. Ballengee
L. Richard Flury
Vincent L. Kontny

Organization and Compensation Committee

The Organization and Compensation Committee is composed of a minimum of three members of the Supervisory Board who satisfy the independence requirements required by 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. The current members of the Organization and Compensation Committee are Messrs. Kontny (chairman), Jennett, Neale and Simpson. The Organization and Compensation Committee functions under a charter which can be accessed through our website, www.cbi.com.

The Organization and Compensation Committee met four times in 2004. 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;
- evaluation and approval of corporate goals and objectives relevant to the Chief Executive Officer s compensation, evaluation of the Chief Executive Officer s performance in light of those goals and objectives and setting the Chief Executive Officer s compensation level based on this evaluation; and
- preparation of the Compensation Committee report on executive compensation to be included in the proxy statement.

Nominating Committee

The Nominating Committee is composed of a minimum of three members of the Supervisory Board who satisfy the independence requirements required by the Exchange Act, the rules adopted thereunder and the listing standards of the New York Stock Exchange in effect from time to time. The current members of the Nominating Committee are Messrs. Ballengee (chairman), Flury and Jennett. The Nominating Committee functions under a charter which can be accessed through our website, www.cbi.com.

The Nominating Committee met four times during 2004. Its primary duties and responsibilities include:

- identification, review, recommendation and assessment of nominees for election as members of the Supervisory Board;
- recommendation to the Supervisory Board regarding size, composition, proportion of inside directors and creation of new positions for 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.

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) are relevant criteria and characteristics which may be considered 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 Walter G. Browning, Secretary, Chicago Bridge & Iron Company N.V., Polarisavenue 31, 2132 JH Hoofddorp, The Netherlands.

Corporate Governance Committee

The Corporate Governance Committee is composed of all the non-management members of the Supervisory Board. The current members of the Corporate Governance Committee are Messrs. Neale (chairman), Ballengee, Flury, Jennett, Kontny and Simpson and Ms. Williams. The Corporate Governance Committee functions under a charter which can be accessed through our website, www.cbi.com.

The Corporate Governance Committee met four times during 2004. Its primary duties and responsibilities include the following:

- oversight of the 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 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 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.

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Information Regarding Meetings

The Supervisory Board held four meetings in 2004. Each of the Supervisory Directors attended at least 75% of the meetings of the Supervisory Board and of all committees of which he or she was a member. We expect that each member of the Supervisory Board will attend the Annual Meeting. Last year, all members of the Supervisory Board attended the Annual Meeting.

COMMON SHARE OWNERSHIP BY CERTAIN PERSONS AND MANAGEMENT

Security Ownership of Certain Beneficial Owners

The following table sets forth certain information with respect to each person (other than our management) known to us to be the beneficial owner of more than 5% of our issued common shares (based on 97,731,118 shares outstanding as of March 31, 2005).

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
FMR Corporation(1) 82 Devonshire Street Boston, MA 02109	13,507,964	13.8%

(1) Information derived from a Schedule 13G dated February 14, 2005 filed by FMR Corporation; according to such filing it had sole power to vote 7,584,122 shares and sole power to dispose of 13,507,964 shares.

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Security Ownership of Our Management

The following table sets forth certain information regarding common shares beneficially owned on March 31, 2005 by each Supervisory Director and each nominee to be a Supervisory Director, each named executive officer and by all directors and executive officers as a group.

Name of Beneficial Owner	Number of Shares Owned(1)	Percentage of Shares Owned(2)
Gerald M. Glenn	3,374,380	3.5%
Philip K. Asherman	98,302	*
David P. Bordages	60,543	*
Richard A. Byers	732	*
Stephen P. Crain	133,580	*
Richard E. Goodrich	74,534	*
Robert B. Jordan	94,119	*
Samuel C. Leventry	46,829	*
Jerry H. Ballengee	30,644	*
J. Charles Jennett	46,600	*
Vincent L. Kontny	42,800	*
Gary L. Neale	38,400	*
L. Donald Simpson	38,400	*
Marsha C. Williams	42,400	*
L. Richard Flury	16,800	*
All directors, nominees for directors and executive officers as a group (17 in number)	4,139,063	4.25%

* 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 13, 2005, (iii) shares subject to a vesting schedule, forfeiture risk and other restrictions, including restricted share units for which the participant has voting rights on the underlying shares, and, (iv) in the case of Mr. Glenn, 2,485,352 shares originally allocated to him under a management stock plan as to which he has fully vested rights to future delivery of the shares upon the earlier of termination of employment or a change of control.

(2) For purposes of this table, a person is deemed to have beneficial ownership of any shares as of a given date which such person has the right to acquire within 60 days after that date. For purposes of computing the percentage of outstanding shares held by each person named above on a given date, any shares that the person or persons have the right to acquire within 60 days after such date is not deemed to be outstanding for the purposes of computing the percentage ownership of that or any other person.

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, 2004, our Supervisory Directors, executive officers and 10% shareholders complied with all Section 16(a) filing requirements applicable to them, except Directors Jennett, Neale and Simpson, and executive officer Rhodes, each of whom did not report in a timely fashion on Form 4 one transaction during 2004.

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EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth the cash and non-cash compensation for each of the last three years awarded to or earned by our chief executive officer and our four other most highly compensated executive officers.

					Long Term Compensation			
		Annual Compensation			Awards		Payouts	
(a)	(b)	(c)	(d)	(e) Other Annual Compen-sation	(f) Restricted Share Award(s)	(g) Securities Underlying Options/ SARs	(h) LTIP Payouts	(i) All Other Compen-sation
Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	($)(2)	($)(3)	(# Shares)	($)	($)(4)
Gerald M. Glenn, Chairman of the Supervisory Board; President, Chief Executive Officer and Chairman of Chicago Bridge & Iron Company; and Managing Director of Chicago Bridge & Iron Company B.V.	2004	726,924	560,000	198,390		15,904	479,329	125,148
	2003	632,501	800,000	222,983		103,885	205,640	112,109
	2002	575,000	600,000	259,716		174,128	292,717	94,785
Philip K. Asherman, Executive Vice President and Chief Marketing Officer of Chicago Bridge & Iron Company; and Managing Director of Chicago Bridge & Iron Company B.V.	2004	332,308	225,000			10,380	135,421	51,485
	2003	280,001	270,000			30,872		44,600
	2002	262,500	200,000			40,434		34,500
Stephen P. Crain, President Western Hemisphere Operations of Chicago Bridge & Iron Company	2004	305,854	160,000	60,389		4,914	111,056	44,268
	2003	267,750	215,000	53,058		24,283	49,905	541,448
	2002	253,800	190,000	104,990		39,852	65,807	35,247
	2004	311,539	160,000			3,380		

Richard E. Goodrich,
Executive Vice