

MCDERMOTT INTERNATIONAL INC

Form S-4/A

March 02, 2018

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As filed with the Securities and Exchange Commission on March 2, 2018

Registration No. 333-222662

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

Amendment No. 1 to  
FORM S-4  
REGISTRATION STATEMENT  
*UNDER*  
*THE SECURITIES ACT OF 1933*

**MCDERMOTT INTERNATIONAL, INC.**

**COMET I B.V.**

**(Exact name of registrant as specified in its charter)**

**McDermott International, Inc.**

**Comet I B.V.**

**Republic of Panama  
(State or Other Jurisdiction of**

**The Netherlands  
(State or Other Jurisdiction of**

**Incorporation or Organization)**

**Incorporation or Organization)**

**3443**

**1700**

**(Primary Standard Industrial**

**(Primary Standard Industrial**

**Classification Code)**

**Classification Code)**

**72-0593134**

**Not Applicable**

**(I.R.S. Employer**

**(I.R.S. Employer**

**Identification No.)**

**Identification No.)**

**4424 West Sam Houston Parkway North**

**2595 AK The Hague**

**Houston, Texas 77041**

**The Netherlands**

**(281) 870-5000**

**011 31 70 373 2010**

**(Address, including zip code, and telephone number,  
including**

**(Address, including zip code, and telephone  
number, including**

**area code, of registrant's principal executive offices)**

**area code, of registrant's principal executive offices)**

**John M. Freeman**

**Senior Vice President,**

**General Counsel & Corporate Secretary**

**McDermott International, Inc.**

**4424 West Sam Houston Parkway North**

**Houston, Texas 77041**

**(281) 870-5000**

**(Name, address, including zip code, and telephone number, including area code, of agent for service)**

*Copies to:*

<b>Ted W. Paris</b>	<b>Kirsten B. David</b>	<b>Mark Gordon</b>
<b>James H. Mayor</b>	<b>Executive Vice President and Chief Legal Officer</b>	<b>Jenna E. Levine</b>
<b>Travis J. Wofford</b>	<b>Chicago Bridge &amp; Iron Company N.V.</b>	<b>Wachtell, Lipton, Rosen &amp; Katz</b>
<b>Baker Botts L.L.P.</b>	<b>One CB&amp;I Plaza</b>	<b>51 West 52nd Street</b>
<b>910 Louisiana Street</b>	<b>2103 Research Forest Drive</b>	<b>New York, New York 10019</b>
<b>Houston, Texas 77002</b>	<b>The Woodlands, Texas 77380</b>	<b>(212) 403-1000</b>
<b>(713) 229-1234</b>	<b>(832) 513-1000</b>	

**Approximate date of commencement of the proposed sale of the securities to the public:** As soon as practicable after this registration statement becomes effective and upon completion of the combination described in the enclosed document.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act:

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to Section 8(a), may determine.**

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**EXPLANATORY NOTE**

This registration statement contains:

a prospectus (which is referred to as the exchange offer prospectus ) that will be used in connection with the offer by McDermott Technology, B.V., a company organized under the laws of the Netherlands ( McDermott Bidco ), to exchange each share of common stock, par value EUR 0.01, of Chicago Bridge & Iron Company N.V., a public company with limited liability incorporated under the laws of the Netherlands ( CB&I ), for a specified number of shares of common stock, par value \$1.00 per share, of McDermott International, Inc., a Panamanian corporation ( McDermott ); and

a joint proxy statement/prospectus (which is referred to as the joint proxy statement/prospectus )

that will be used in connection with the special meeting of stockholders of McDermott being held on [ ], 2018 and the special general meeting of shareholders of CB&I being held on [ ], 2018;

that constitutes a prospectus of Comet I B.V., a company organized under the laws of the Netherlands and a direct wholly owned subsidiary of CB&I ( CB&I Newco ), with respect to the shares of common stock of CB&I Newco to be allotted by CB&I Newco to shareholders of CB&I in connection with the Merger (as defined in the joint proxy statement/prospectus and the exchange offer prospectus); and

that constitutes a prospectus of McDermott with respect to the shares of common stock of McDermott to be allotted upon exchange of an exchangeable note in connection with the Liquidation (as defined in the joint proxy statement/prospectus and the exchange offer prospectus);

in each case, pursuant to the Business Combination Agreement, dated as of December 18, 2017, as amended January 24, 2018, by and among McDermott, McDermott Bidco, CB&I, CB&I Newco and the other parties thereto.

The joint proxy statement/prospectus and the exchange offer prospectus will be identical in all substantive respects, except that certain sections of the joint proxy statement/prospectus will be eliminated or replaced with alternative pages, or additional pages will be included, in the exchange offer prospectus, as set forth in the table below:

<b>Joint Proxy Statement/Prospectus</b>		<b>Exchange Offer Prospectus</b>	
Section	Page	Section	Page
Joint Proxy Statement/Prospectus Cover Page	Front Cover	Exchange Offer Prospectus Cover Page	ALT-1
Notice of the CB&I Special General Meeting	Inside Cover	None	
Notice of the McDermott Special Meeting	Inside Cover	None	

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Questions and Answers About the Special Meetings		Questions and Answers About the Exchange	
	i	Offer	ALT-3
Summary	1	Summary	ALT-9
The McDermott Special Meeting	38	None	
The CB&I Special General Meeting	49	None	
None		Other Information Regarding the Parties	ALT-35
None		None	
Householding	213	None	
Annex E Form of Reverse Stock Split Amendment to the Articles of Incorporation of McDermott	E-1	None	
Annex F Form of Authorized Capital Amendment to the Articles of Incorporation of McDermott	F-1	None	
Annex G Form of Amendment to the Articles of Association of CB&I	G-1		

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**Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This joint proxy statement/prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.**

**SUBJECT TO COMPLETION, DATED MARCH 2, 2018**

**JOINT PROXY STATEMENT/PROSPECTUS**

McDermott International, Inc., a Panamanian corporation referred to as **McDermott**, and Chicago Bridge & Iron Company N.V., a public company with limited liability incorporated under the laws of the Netherlands referred to as **CB&I**, have entered into a Business Combination Agreement, dated as of December 18, 2017 (as it may be amended or supplemented from time to time, the **Business Combination Agreement**). Pursuant to the terms of the Business Combination Agreement, McDermott and CB&I have agreed to combine their businesses by a series of transactions (and subject to the terms and conditions of the Business Combination Agreement) that we refer to as the **Core Transactions**, preceded by McDermott Technology, B.V., a company organized under the laws of the Netherlands and a direct wholly owned subsidiary of McDermott referred to as **McDermott Bidco**, making an Exchange Offer (as defined herein) (together with the Core Transactions, the **Combination**) for shares of CB&I Common Stock (as defined herein). Subject to the terms and conditions of the Business Combination Agreement, the Combination shall occur as follows:

McDermott Bidco will launch an offer to exchange any and all issued and outstanding shares of common stock of CB&I, par value EUR 0.01 per share ( **CB&I Common Stock** ), for shares of common stock of McDermott, par value \$1.00 per share ( **McDermott Common Stock** ), at the Exchange Offer Ratio (as defined herein), with the completion of the Exchange Offer to occur prior to the Merger Effective Time (as defined herein);

Certain subsidiaries of McDermott will complete an acquisition transaction (the **CB&I Technology Acquisition**) no later than immediately prior to the time at which McDermott Bidco accepts all shares of CB&I Common Stock validly tendered and not properly withdrawn in the Exchange Offer (the **Exchange Offer Effective Time**), pursuant to which they will acquire for cash the equity of certain CB&I subsidiaries that own CB&I's technology business, and the cash proceeds paid in the CB&I Technology Acquisition will be used to repay certain existing debt of CB&I;

McDermott Bidco will complete the Exchange Offer;

Promptly following the Exchange Offer Effective Time, CB&I, Comet I B.V., a company organized under the laws of the Netherlands and a direct wholly owned subsidiary of CB&I referred to as CB&I Newco, and Comet II B.V., a company organized under the laws of the Netherlands and a direct wholly owned subsidiary of CB&I Newco referred to as CB&I Newco Sub, will complete a merger transaction (the Merger), pursuant to which CB&I will merge with and into CB&I Newco Sub, with: (1) CB&I Newco Sub continuing as a wholly owned subsidiary of CB&I Newco; (2) all holders of shares of CB&I Common Stock becoming shareholders of CB&I Newco; and (3) McDermott Bidco becoming a shareholder of CB&I Newco, as a result of any shares it will have validly accepted for exchange in the Exchange Offer being exchanged for shares of CB&I Newco pursuant to the terms of the Merger;

McDermott Bidco and CB&I Newco will complete a share purchase and sale transaction (the Share Sale), as a result of which CB&I Newco Sub will become an indirect subsidiary of McDermott through the sale of all of the outstanding shares in the capital of CB&I Newco Sub to McDermott Bidco in exchange for an Exchangeable Note (as defined herein); and

CB&I Newco will be dissolved and liquidated (the Liquidation), as a result of which former CB&I shareholders that become CB&I Newco shareholders in the Merger will receive shares of McDermott Common Stock issued upon the mandatory exchange of the Exchangeable Note, subject to applicable withholding taxes, including Dutch dividend withholding tax under the Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*) to the extent the Liquidation Distribution (as defined herein) exceeds the average paid-in capital recognized for Dutch dividend withholding tax purposes of the shares of CB&I Newco common stock (the Dutch Dividend Withholding Tax).



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As a result of the Core Transactions, shareholders of CB&I who do not validly tender in (or who properly withdraw their shares of CB&I Common Stock from) the Exchange Offer and, as a result of the Merger, become CB&I Newco shareholders, will be entitled to receive, in respect of each former share of CB&I Common Stock, upon completion of the Liquidation, 2.47221 shares of McDermott Common Stock, or, if the McDermott Reverse Stock Split (as defined below) has occurred prior to the date on which the Exchange Offer Effective Time occurs, 0.82407 shares of McDermott Common Stock (as applicable, the Exchange Offer Ratio), together with cash in lieu of fractional shares, subject to applicable withholding taxes, including the Dutch Dividend Withholding Tax. The consideration per share of CB&I Common Stock to be received pursuant to the Core Transactions is the same as the Exchange Offer Ratio, except that the receipt of shares of McDermott Common Stock and cash in lieu of fractional shares of McDermott Common Stock pursuant to the Liquidation generally will be subject to the Dutch Dividend Withholding Tax. McDermott Common Stock is listed on the New York Stock Exchange ( NYSE ) under the trading symbol MDR, and CB&I Common Stock is listed on the NYSE under the trading symbol CBI. We encourage you to obtain quotes for the McDermott Common Stock and CB&I Common Stock.

The Core Transactions will be subject to and (other than the CB&I Technology Acquisition, which will occur no later than immediately prior to the Exchange Offer Effective Time) occur promptly after the Exchange Offer Effective Time (and in any event on the Closing Date, other than the Liquidation Distribution, which shall occur on the Closing Date or as soon as practicable thereafter). We refer to the Core Transactions and the Exchange Offer together as the Combination.

Based on the estimated number of shares of CB&I Common Stock and McDermott Common Stock that will be outstanding immediately prior to the closing of the Combination, we estimate that, upon closing of the Combination, McDermott stockholders will own approximately 53% of the outstanding shares of McDermott Common Stock and CB&I shareholders will own approximately 47% of the outstanding shares of McDermott Common Stock, assuming all CB&I shareholders participate in the Exchange Offer (such that their share ownership would not be reduced as a result of withholding for the Dutch Dividend Withholding Tax).

Pursuant to the Business Combination Agreement, the approval of CB&I shareholders and McDermott stockholders must be obtained before effecting the Combination and the other transactions contemplated by the Business Combination Agreement.

CB&I and McDermott will each hold a special general meeting or special meeting of its respective shareholders or stockholders in connection with the proposed Combination.

At the CB&I Special General Meeting (as defined herein), CB&I shareholders will be asked to vote on: (1) a proposal to amend the articles of association of CB&I as set forth in Annex G attached hereto to remove the supermajority voting requirement for certain resolutions when any person, alone or together with a group, holds more than fifteen percent (15%) of the outstanding share capital of CB&I (the Articles Amendment Resolution); (2) a proposal to enter into and effectuate the Merger in accordance with the Merger Proposal (as defined herein) (the Merger Resolution); (3) a proposal to approve the CB&I Technology Acquisition (to the extent required by applicable law) and the Share Sale (the Sale Resolutions); (4) a proposal to, effective as of the Share Sale Effective Time (as defined herein), (a) approve the dissolution of CB&I Newco, (b) approve the appointment of a liquidator of CB&I Newco and (c) approve the appointment of a custodian of the books and records of CB&I Newco in accordance with Section 2:24 of the Dutch Civil Code (the Liquidation Resolutions); (5) a proposal to, effective as of the Exchange Offer Effective Time, provide full and final discharge to each member of the CB&I boards for their acts of management or supervision, as applicable, up to the date of the CB&I Special General Meeting, other than for acts as a result of fraud (*bedrog*), gross negligence (*grove schuld*) or willful misconduct (*opzet*) (the Discharge Resolutions); and (6) a proposal to approve, by non-binding, advisory vote, the compensation payable to CB&I's named executive officers in connection with the

Combination. The CB&I Special General Meeting may be canceled and reconvened, if necessary and in accordance with the terms of the Business Combination Agreement, to re-solicit proxies if there are not sufficient votes to approve the Articles Amendment Resolution, the Merger Resolution, the Sale Resolutions, the

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Liquidation Resolutions or the Discharge Resolutions. **The CB&I Management Board and Supervisory Board recommend that the CB&I shareholders vote FOR each of the proposals to be considered at the CB&I Special General Meeting.**

At the McDermott Special Meeting (as defined herein), McDermott stockholders will be asked to vote on: (1) a proposal to amend McDermott's amended and restated articles of incorporation, as amended to date (the McDermott Articles), to (a) effect a 3-to-1 reverse stock split (the McDermott Reverse Stock Split) of the McDermott Common Stock and (b) decrease the authorized shares of McDermott Common Stock to 255,000,000 shares, an amount sufficient to enable the transactions contemplated under the Business Combination Agreement following the McDermott Reverse Stock Split (the McDermott Reverse Stock Split Articles Amendment Resolution); (2) if the McDermott Reverse Stock Split Articles Amendment Resolution is not approved, a proposal to amend the McDermott Articles to increase the authorized shares of McDermott Common Stock to 765,000,000 shares of McDermott Common Stock, an amount sufficient to enable the transactions contemplated under the Business Combination Agreement without the McDermott Reverse Stock Split (the McDermott Authorized Capital Articles Amendment Resolution); (3) a proposal to issue shares of McDermott Common Stock in connection with the Exchange Offer and the Core Transactions, including the issuance pursuant to the Exchangeable Note (the McDermott Stock Issuance); and (4) a proposal to approve the adjournment of the McDermott Special Meeting, if necessary, to solicit additional proxies if there are not sufficient votes to approve the McDermott Stock Issuance and either the McDermott Reverse Stock Split Articles Amendment Resolution or the McDermott Authorized Capital Articles Amendment Resolution. **The McDermott Board of Directors recommends that the McDermott stockholders vote FOR each of the proposals to be considered at the McDermott Special Meeting.**

The Combination cannot be completed unless the CB&I shareholders approve the Merger Resolution, the Sale Resolution, the Liquidation Resolution and the Discharge Resolutions and the McDermott stockholders approve the McDermott Stock Issuance and either the McDermott Reverse Stock Split Articles Amendment Resolution or the McDermott Authorized Capital Articles Amendment Resolution.

Because the Exchange Offer Ratio is fixed, the value of the shares of McDermott Common Stock that CB&I shareholders will receive upon completion of the Combination will depend on the price per share of McDermott Common Stock at the time the Combination is completed. That price will not be known at the time of the CB&I Special General Meeting or McDermott Special Meeting and may be greater or less than the current price of the McDermott Common Stock or the price of shares of McDermott Common Stock at the time of the CB&I Special General Meeting or the McDermott Special Meeting.

Your vote is very important, regardless of the number of shares you own. Whether or not you expect to attend the special general meeting or special meeting in person, as applicable, please submit a proxy to vote your shares as promptly as possible so that your shares may be represented and voted at such meeting.

The obligations of CB&I and McDermott to complete the Combination are subject to the satisfaction or waiver of several conditions set forth in the Business Combination Agreement. More information about CB&I, McDermott, the CB&I Special General Meeting, the McDermott Special Meeting and the Combination, including the Exchange Offer, the Merger, the Share Sale and the Liquidation, is contained in this joint proxy statement/prospectus. Before voting, we urge you to read carefully and in their entirety the accompanying joint proxy statement/prospectus, including the Annexes and the documents incorporated by reference. In particular, we urge you to read carefully the section entitled Risk Factors beginning on page 25 of this joint proxy statement/prospectus.



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We look forward to the successful combination of McDermott and CB&I.

/s/ David Dickson

/s/ Patrick K. Mullen

David Dickson

Patrick K. Mullen

President and Chief Executive Officer

President and Chief Executive Officer

McDermott International, Inc.

Chicago Bridge & Iron Company N.V.

**Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this joint proxy statement/prospectus or determined that this joint proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.**

This joint proxy statement/prospectus is dated [ ], 2018 and is first being mailed to stockholders of McDermott and shareholders of CB&I on or about [ ], 2018.

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**REFERENCES TO ADDITIONAL INFORMATION**

This document incorporates important business and financial information about McDermott, McDermott Bidco, CB&I and CB&I Newco from other documents that are not included in or delivered with this document. This information is available to you without charge upon your request. You can obtain copies of the documents incorporated by reference into this document through the U.S. Securities and Exchange Commission website at [www.sec.gov](http://www.sec.gov) or by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

**McDermott International, Inc.**

**4424 West Sam Houston Parkway North**

**Houston, Texas 77041**

**(281) 870-5000**

**McDermott Technology, B.V.**

**c/o McDermott International, Inc.**

**4424 West Sam Houston Parkway North**

**Houston, Texas 77041**

**(281) 870-5000**

**Chicago Bridge & Iron Company N.V.**

**Prinses Beatrixlaan 35**

**2595 AK The Hague**

**The Netherlands**

**011 31 70 373 2010**

**Comet I N.V.**

**c/o Chicago Bridge & Iron Company N.V.**

**Prinses Beatrixlaan 35**

**2595 AK The Hague**

**The Netherlands**

**011 31 70 373 2010**

In addition, you may also obtain additional copies of this document or the documents incorporated by reference into this document by contacting MacKenzie Partners, Inc., McDermott's proxy solicitor, or Innisfree M&A Incorporated, CB&I's proxy solicitor, at the addresses and telephone numbers listed below. You will not be charged for any of these documents that you request.

**MacKenzie Partners, Inc.**

**105 Madison Avenue**

**New York, New York 10016**

**Toll-free: (800) 322-2885**

**Collect: (212) 929-5500**

**Innisfree M&A Incorporated**

**501 Madison Avenue**

**New York, New York 10022**

**Toll-free: (877) 825-8971**

**Collect: (212) 750-5833**

Investors may also consult the websites of McDermott or CB&I for more information concerning the combination and the other transactions described in this document. The website of McDermott is [www.mcdermott.com](http://www.mcdermott.com) and the website of CB&I is [www.cbi.com](http://www.cbi.com). Information included on these websites is not incorporated by reference into this document.

**If you would like to request any documents, please do so by [ ], 2018, in order to receive them before the special meeting and the special general meeting.**

See [Where You Can Find More Information](#) for more detail.

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**4424 West Sam Houston Parkway North**

**Houston, Texas 77041**

**(281) 870-5000**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS OF MCDERMOTT INTERNATIONAL, INC. TO  
BE HELD ON [ ], 2018**

To the Stockholders of McDermott International, Inc.:

You are cordially invited to a special meeting of stockholders of McDermott International, Inc., a Panamanian corporation ( McDermott ), which will be held at [ ], on [ ], 2018, at [ ] [a./p.]m. local time (the McDermott Special Meeting ), for the following purposes:

1. To vote on a proposed resolution providing for an amendment to McDermott s amended and restated articles of incorporation, as amended to date: (1) to effect a 3-to-1 reverse stock split of McDermott Common Stock (the McDermott Reverse Stock Split ) and (2) to decrease McDermott s authorized shares of common stock, par value \$1.00 per share ( McDermott Common Stock ), to 255,000,000 shares, an amount sufficient to enable the transactions contemplated under the Business Combination Agreement, dated as of December 18, 2017, by and among McDermott, McDermott Technology, B.V., Chicago Bridge & Iron Company N.V., ( CB&I ) and the other parties thereto (as it may be amended or supplemented from time to time, the Business Combination Agreement ), following the McDermott Reverse Stock Split (the McDermott Reverse Stock Split Articles Amendment Resolution ).
2. To vote on a proposed resolution providing for an amendment to McDermott s amended and restated articles of incorporation, as amended to date, to increase the authorized shares of McDermott Common Stock to 765,000,000 shares of common stock, an amount sufficient to enable the transactions contemplated under the Business Combination Agreement without the McDermott Reverse Stock Split (the McDermott Authorized Capital Articles Amendment Resolution ). If adopted, the McDermott Authorized Capital Articles Amendment Resolution will only become effective if the McDermott Reverse Stock Split Articles Amendment Resolution is not adopted at the McDermott Special Meeting.
3. To vote on the issuance of shares of McDermott Common Stock in exchange for all shares of common stock of CB&I, par value EUR 0.01 per share, in the Exchange Offer and in connection with the Core Transactions (each as defined in the Business Combination Agreement) (including the issuance of shares of McDermott Common Stock pursuant to the terms of the Exchangeable Note) under the terms of the Business Combination Agreement (the McDermott Stock Issuance ).
4. To vote on a proposal to approve the adjournment of the McDermott Special Meeting, if necessary, to solicit additional proxies if there are not sufficient votes to approve the McDermott Stock Issuance and either the McDermott Reverse Stock Split Articles Amendment Resolution or the McDermott Authorized Capital Articles



Amendment Resolution (the McDermott Meeting Adjournment ).

The McDermott Board of Directors has fixed the close of business on [ ], 2018 as the record date for determination of McDermott stockholders entitled to receive notice of, and to vote at, the McDermott Special Meeting or any adjournment thereof. Only holders of record of issued and outstanding shares of McDermott Common Stock at the close of business on the record date are entitled to receive notice of, and to vote at, the McDermott Special Meeting or any adjournment thereof.

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The affirmative vote of the holders of a majority of the shares of McDermott Common Stock outstanding and entitled to vote at the McDermott Special Meeting (meaning that, of the shares of McDermott Common Stock outstanding, excluding treasury shares, a majority must be voted FOR the proposal) is required to approve the McDermott Reverse Stock Split Articles Amendment Resolution and the McDermott Authorized Capital Articles Amendment Resolution. Failures to vote, abstentions and broker non-votes will have the same effect as votes AGAINST the adoption of the McDermott Reverse Stock Split Articles Amendment Resolution and the adoption of the McDermott Authorized Capital Articles Amendment Resolution. The affirmative vote of the holders of a majority of the votes cast on the matter by holders of shares of McDermott Common Stock present in person or represented by proxy at the McDermott Special Meeting (meaning the number of shares voted FOR the proposal must exceed the number of shares voted AGAINST the proposal plus abstentions) is required to approve the McDermott Stock Issuance proposal. Because failures to vote and broker non-votes are not actual votes cast (assuming that a quorum is present), they will have no effect on the outcome of the vote on the McDermott Stock Issuance proposal. However, under applicable rules of the NYSE, an abstention will have the same effect as a vote AGAINST the McDermott Stock Issuance proposal. The affirmative vote of the holders of a majority of the shares of McDermott Common Stock present in person or represented by proxy at the meeting, whether or not a quorum is present, is required to approve the McDermott Meeting Adjournment proposal. Failures to vote by McDermott stockholders that attend the McDermott Special Meeting in person, abstentions and broker non-votes will have the same effect as votes AGAINST the McDermott Meeting Adjournment proposal. Failures to vote by McDermott stockholders not attending the McDermott Special Meeting, in person or by proxy, will have no effect on the McDermott Meeting Adjournment proposal, whether or not a quorum is present.

The Combination (as defined in the Business Combination Agreement) cannot be completed unless the McDermott stockholders approve the McDermott Stock Issuance and either the McDermott Reverse Stock Split Amendment Resolution or the McDermott Authorized Capital Articles Amendment Resolution.

If you are a stockholder of record, you can vote your shares in person at the McDermott Special Meeting or vote now by giving your proxy via Internet, telephone or mail. You may give your proxy by following the instructions included in the enclosed proxy card. If you vote using either the telephone or the Internet, you will save McDermott mailing expenses.

By giving your proxy, you will be directing the persons named as proxies in the accompanying proxy card for the McDermott Special Meeting how to vote your shares at the meeting. Even if you plan on attending the McDermott Special Meeting, we urge you to vote now by giving us your proxy. This will ensure that your vote is represented at the meeting. If you do attend the McDermott Special Meeting, you can change your vote at that time, if you then desire to do so.

If you are the beneficial owner of shares, but not the holder of record, you should refer to the instructions provided by your broker or nominee for further information. The broker or nominee that holds your shares has the authority to vote them, absent your approval, only as to matters for which they have discretionary authority under the applicable NYSE rules. None of the proposals for the McDermott Special Meeting are considered routine matters. This means that brokers or nominees may not vote your shares with respect to those matters if they have not been given specific instructions as to how to vote. Please be sure to give specific voting instructions to your broker or nominee.

You should have received a voting instruction form from your broker or nominee that holds your shares. For shares of which you are the beneficial owner but not the holder of record, follow the instructions contained in the voting instruction form to vote by Internet, telephone or mail. If you want to vote your shares in person at the McDermott Special Meeting, you must obtain a valid proxy from your broker or nominee. You should contact your broker or nominee or refer to the instructions provided by your broker or nominee for further information. Additionally, the

availability of telephone or Internet voting depends on the voting process used by the broker or nominee that holds your shares.

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The enclosed proxy statement/prospectus provides a detailed description of the Combination, the Business Combination Agreement and the other matters to be considered at the McDermott Special Meeting. We urge you to read this joint proxy statement/prospectus, including any documents incorporated by reference, and the Annexes carefully and in their entirety. If you have any questions regarding the accompanying joint proxy statement/prospectus, you may contact MacKenzie Partners, Inc., McDermott's proxy solicitor, by calling toll-free at (800) 322-2885.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ David Dickson

David Dickson

President and Chief Executive Officer

McDermott International, Inc.

[ ], 2018

**YOUR VOTE IS VERY IMPORTANT. PLEASE VOTE YOUR SHARES PROMPTLY, WHETHER OR NOT YOU EXPECT TO ATTEND THE MCDERMOTT SPECIAL MEETING. YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARD. IF YOU ARE UNCERTAIN OF HOW YOU HOLD YOUR SHARES OR NEED ASSISTANCE IN VOTING YOUR SHARES, PLEASE CONTACT MACKENZIE PARTNERS, INC., MCDERMOTT'S PROXY SOLICITOR.**

105 Madison Avenue

New York, New York 10016

(212) 929-5500 (Call Collect)

or

Call Toll-Free (800) 322-2885

Email: [proxy@mackenziepartners.com](mailto:proxy@mackenziepartners.com)

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**Chicago Bridge & Iron Company N.V.**

**Prinses Beatrixlaan 35**

**2595 AK The Hague**

**The Netherlands**

**011 31 70 373 2010**

**CHICAGO BRIDGE & IRON COMPANY N.V.**

**NOTICE AND AGENDA OF SPECIAL GENERAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON [ ], 2018**

To the Shareholders of Chicago Bridge & Iron Company N.V.:

You are cordially invited to a special meeting of shareholders of Chicago Bridge & Iron Company N.V., a public company with limited liability incorporated under the laws of the Netherlands ( CB&I ), which will be held at [ ], on [ ], 2018, at [ ] [a./p.]m. local time (the CB&I Special General Meeting ), for the following purposes and with the following agenda:

1. **Opening of the meeting.**
2. **Explanation of the Combination (*for discussion*).**
3. **Amendment of the Articles of Association (*for resolution*).** Resolution providing for an amendment to CB&I s amended and restated articles of association as set forth in Annex G attached hereto to remove the supermajority voting requirement for certain resolutions when any person, alone or together with a group, holds more than fifteen percent (15%) of the outstanding share capital of CB&I (the Articles Amendment Resolution ) and to authorize each lawyer and (candidate-) civil law notary of De Brauw Blackstone Westbroek N.V. to execute the deed of amendment directly after the adoption of this resolution and prior to adopting any other resolution at the CB&I Special General Meeting.
4. **Approval of the Merger (*for resolution*).** Resolution to enter into and effectuate the Merger in accordance with the Merger Proposal (each as defined in the Business Combination Agreement, dated as of December 18, 2017, by and among McDermott International, Inc. ( McDermott ), CB&I, and the other parties thereto (as it may be amended or supplemented from time to time, the Business Combination Agreement )) (the Merger Resolution ).
- 5.

**Approval of the CB&I Technology Acquisition and Share Sale (*for resolution*).** (a) Resolution to approve the acquisition, no later than immediately prior to the Exchange Offer Expiration Time (as defined in the Business Combination Agreement), by certain subsidiaries of McDermott of the equity of certain CB&I subsidiaries that own CB&I's technology business for cash (to the extent required by law), and (b) a resolution to approve the sale by Comet I B.V., a direct wholly owned subsidiary of CB&I, of all of the issued and outstanding shares in the capital of Comet II B.V. to McDermott Technology, B.V., a wholly owned subsidiary of McDermott (or its designee) (together, the Sale Resolutions ).

6. **Approval of the Liquidation Resolution (*for resolution*).** Resolution to, effective as of the Share Sale Effective Time (as defined in the Business Combination Agreement), (a) approve the dissolution of Comet I B.V., (b) approve the appointment of Stichting Vereffening Chicago Bridge & Iron Company as liquidator of Comet I B.V. and (c) approve the appointment of (an affiliate of) McDermott Technology, B.V. as the custodian of the books and records of Comet I B.V. in accordance with Section 2:24 of the Dutch Civil Code (the Liquidation Resolutions ).
7. **Discharge of Directors (*for resolution*).** Resolution to, effective as of the Exchange Offer Effective Time (as defined in the Business Combination Agreement), grant full and final discharge to each member of the CB&I Supervisory Board and CB&I Management Board for his or her acts of supervision or management, as applicable, up to the date of the CB&I Special General Meeting (the Discharge Resolutions ).

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8. **Executive Compensation (for non-binding, advisory resolution).** Proposal to approve, by non-binding advisory vote, the compensation that may become or has become payable to CB&I's named executive officers in connection with the Combination (as defined in the Business Combination Agreement) (the Compensation Resolution).

The CB&I Management Board has fixed the close of business on [ ], 2018 as the record date for determination of CB&I shareholders entitled to attend, and to vote at, the CB&I Special General Meeting. Only holders of record of issued and outstanding shares of CB&I common stock, par value EUR 0.01 per share ( CB&I Common Stock ), registered in the CB&I share register as referred to in section 2:85 of the Dutch Civil Code, part of which is kept by Computershare Trust Company, N.A. on behalf of CB&I (the CB&I Share Register ) at the close of business on the record date are entitled to attend and to vote at, the CB&I Special General Meeting, even if such shareholders have already tendered their shares of CB&I Common Stock in the Exchange Offer (as defined in the Business Combination Agreement). Unless the context otherwise requires, references to shareholders refer to those who on the record date are, and are registered in the CB&I Share Register as, holders of shares of CB&I Common Stock or others with meeting rights under Dutch law with respect to shares of CB&I Common Stock.

The affirmative vote of a majority of the votes cast on the matter by holders of shares of CB&I Common Stock outstanding and entitled to vote at the CB&I Special General Meeting (meaning the number of shares voted FOR the proposal must exceed the number of shares voted AGAINST the proposal) is required to approve the Articles Amendment Resolution, the Sale Resolutions, the Liquidation Resolutions, the Discharge Resolutions and the Compensation Resolution at the CB&I Special General Meeting.

Assuming the Articles Amendment Resolution is adopted and implemented and so long as at least fifty percent (50%) of the issued and outstanding CB&I share capital is present at the CB&I Special General Meeting, in person or by proxy, the affirmative vote of a majority of the votes cast on the matter by holders of shares of CB&I Common Stock outstanding and entitled to vote at the CB&I Special General Meeting (meaning the number of shares voted FOR the proposal must exceed the number of shares voted AGAINST the proposal) is required to approve the Merger Resolution. If less than fifty percent (50%) of the issued and outstanding CB&I share capital is present at the CB&I Special General Meeting, in person or by proxy, the affirmative vote of at least two-thirds of the votes cast on the matter by holders of shares of CB&I Common Stock outstanding and entitled to vote at the CB&I Special General Meeting is required to approve the Merger Resolution. Failures to vote by CB&I shareholders that attend the CB&I Special General Meeting in person or by proxy, failures to vote by CB&I shareholders that do not attend the CB&I Special General Meeting in person or by proxy, abstentions and broker non-votes are not considered votes cast and therefore will have no effect on the outcome of the proposals.

However, if the Articles Amendment Resolution is not adopted at the CB&I Special General Meeting and there is a person that alone or together with a group (beneficially) holds more than fifteen percent (15%) of the issued and outstanding share capital of CB&I, the affirmative vote of at least eighty percent (80%) of the shares of CB&I Common Stock outstanding is required to approve the Merger Resolution. In such case, failures to vote by CB&I shareholders, whether or not they attend the CB&I Special General Meeting in person or by proxy, abstentions and broker non-votes will have the same effect as votes AGAINST the adoption of the Merger Resolution.

The Combination (as defined in the Business Combination Agreement) cannot be completed unless the CB&I shareholders approve the Merger Resolution, the Sale Resolutions (to the extent required by applicable law), the Liquidation Resolutions and the Discharge Resolutions.

If you are a shareholder of record registered in the CB&I Share Register, you may vote your shares in person by attending the CB&I Special General Meeting, or vote now by giving your proxy via Internet or mail. You may give your proxy by following the instructions included in the enclosed proxy card. If you give your proxy to vote using the

Internet, you will save CB&I mailing expenses.



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Admittance of shareholders and acceptance of written voting proxies shall be governed by Dutch law. Only shareholders registered in the CB&I Share Register as of the record date, or such shareholders' proxies, who have requested that the holder of the CB&I Share Register (either the CB&I Management Board or Computershare Trust Company N.A.) notify CB&I by [ ], 2018 of his or her or his or her proxy's intention to attend the CB&I Special General Meeting, and other persons with a statutory right to attend or otherwise admitted by the chairman of the meeting may attend the CB&I Special General Meeting. The notice must state the name and number of shares the person will represent at the CB&I Special General Meeting. All attendees must be prepared to identify themselves with a valid proof of identity for admittance.

If you are the beneficial owner of shares, but not the holder of record, you should refer to the instructions provided by your broker or nominee for further information. The broker or nominee that holds your shares has the authority to vote them, absent your approval, only as to matters for which they have discretionary authority under the applicable NYSE rules. None of the proposals for the CB&I Special General Meeting are considered routine matters. This means that brokers or nominees may not vote your shares with respect to those matters if they have not been given specific instructions as to how to vote. Please be sure to give specific voting instructions to your broker or nominee.

You should have received a voting instruction form from your broker or nominee that holds your shares. For shares of which you are the beneficial owner but not the holder of record, follow the instructions contained in the voting instruction form to vote by Internet, telephone or mail. The availability of telephone or Internet voting depends on the voting process used by the broker or nominee that holds your shares. By giving your proxy, you will be directing the persons named as proxies in the accompanying proxy card for the CB&I Special General Meeting how to vote your shares at the meeting. If you wish to attend the CB&I Special General Meeting, you must request a proxy from your broker or nominee. Even if you plan on attending the CB&I Special General Meeting, we urge you to vote now by giving us your proxy. This will ensure that your vote is represented at the meeting. If you do attend the CB&I Special General Meeting, you can change your vote at that time, if you then desire to do so.

The enclosed proxy statement/prospectus provides a detailed description of the Combination, the Business Combination Agreement and the other matters to be considered at the CB&I Special General Meeting. We urge you to read this joint proxy statement/prospectus, including any documents incorporated by reference, and the Annexes carefully and in their entirety. If you have any questions regarding the accompanying joint proxy statement/prospectus, you may contact Innisfree M&A Incorporated, CB&I's proxy solicitor, by calling toll-free at (877) 825-8971.

BY ORDER OF THE MANAGEMENT BOARD

/s/ Patrick Mullen

Patrick Mullen

President and Chief Executive Officer

Chicago Bridge & Iron Company N.V.

[ ], 2018

**YOUR VOTE IS VERY IMPORTANT. PLEASE VOTE YOUR SHARES PROMPTLY, WHETHER OR NOT YOU EXPECT TO ATTEND THE CB&I SPECIAL MEETING. YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARD. IF YOU ARE UNCERTAIN OF HOW YOU HOLD**

**YOUR SHARES OR NEED ASSISTANCE IN VOTING YOUR SHARES, PLEASE CONTACT INNISFREE M&A INCORPORATED, CB&I S PROXY SOLICITOR, AT (212) 750-5833 (BANKS AND BROKERAGE FIRMS) AND (877) 825-8971 (STOCKHOLDERS TOLL FREE).**

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**QUESTIONS AND ANSWERS**

*Except where specifically noted, the following information and all other information contained in this document does not give effect to the proposed reverse stock split described in McDermott Proposal No. 1.*

*The following are answers to some questions that you, as a stockholder of McDermott International, Inc., a Panamanian corporation (which we refer to as **McDermott** ), or as a shareholder of Chicago Bridge & Iron Company N.V., a public company with limited liability incorporated under the laws of the Netherlands (which we refer to as **CB&I** ), may have regarding the proposed transactions between McDermott and CB&I. You are urged to read this entire document carefully, including its annexes and the other documents referenced herein in their entirety, because this section may not provide all of the information that is important to you with respect to the Combination (as defined herein), the Business Combination Agreement (as defined herein), McDermott, CB&I and the other parties to the Business Combination Agreement. Additional important information is contained in the annexes to, and the documents incorporated by reference into, this document. You may obtain the information incorporated by reference into this document without charge by following the instructions under the section entitled **Where You Can Find More Information** beginning on page 215 of this document. Unless the context otherwise requires, references to **shareholders** refer to those who on the record date are, and are registered in the CB&I Share Register (as defined below) as holders of shares of CB&I Common Stock or others with meeting rights under Dutch law with respect to shares of CB&I Common Stock.*

**About the Combination**

**Q: Why am I receiving these materials?**

A: You are receiving these materials because you were a stockholder of record or shareholder of record, as applicable, of either McDermott, CB&I or both on the respective record date for the McDermott Special Meeting or the CB&I Special General Meeting referred to below. McDermott and CB&I have agreed to combine their businesses by a series of transactions (and subject to the terms and conditions of the Business Combination Agreement) described in this document and referred to as the **Core Transactions**, preceded by the Exchange Offer (as defined herein). A copy of the Business Combination Agreement, as amended, is attached as Annex A-1 and Annex A-2 to this document. Both the series of transactions and the Exchange Offer will result in the same consideration for CB&I's shareholders, except that the receipt of shares of McDermott Common Stock and cash in lieu of fractional shares pursuant to the Liquidation generally will be subject to Dutch dividend withholding tax under the Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*) to the extent the Liquidation Distribution (as defined herein) exceeds the average paid-in capital recognized for Dutch dividend withholding tax purposes of the shares of CB&I Newco common stock (the **Dutch Dividend Withholding Tax** ).

This document is a prospectus that will be used in connection with the offer by McDermott Technology, B.V., a company organized under the laws of the Netherlands ( **McDermott Bidco** ), to exchange each share of common stock, par value EUR 0.01, of CB&I ( **CB&I Common Stock** ) for a specified number of shares of common stock, par value \$1.00 per share, of McDermott ( **McDermott Common Stock** ) and is a joint proxy statement/prospectus that:

will be used in connection with the special meeting of stockholders of McDermott being held on [ ], 2018 (the **McDermott Special Meeting** ) and the special general meeting of shareholders of CB&I being held on [ ],

2018 (the CB&I Special General Meeting );

constitutes a prospectus of Comet I B.V., a company organized under the laws of the Netherlands and a direct wholly owned subsidiary of CB&I ( CB&I Newco ), with respect to the shares of common stock of CB&I Newco to be allotted by CB&I Newco as a result of the Merger (as defined herein) in accordance with the Merger Proposal (as defined herein); and

constitutes a prospectus of McDermott with respect to the shares of common stock of McDermott to be allotted upon exchange of an exchangeable note in connection with the Liquidation (as defined herein);

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This document contains important information about the Combination and the transactions comprising it, the Business Combination Agreement, and the McDermott Special Meeting and the CB&I Special General Meeting, and you should read it carefully. The enclosed voting materials allow you to vote your shares without attending a special meeting.

### **Q: What is the Combination?**

A: McDermott and CB&I, together with the other parties thereto, have entered into a Business Combination Agreement, pursuant to which CB&I will combine with McDermott through a series of transactions referred to as the Core Transactions preceded by the Exchange Offer (such series of transactions, together with the Exchange Offer, the Combination ). Subject to the terms and conditions of the Business Combination Agreement, the Combination will occur as follows:

McDermott Bidco will launch an offer to exchange (the Exchange Offer ) any and all issued and outstanding shares of CB&I Common Stock for shares of McDermott Common Stock at the Exchange Offer Ratio (as defined herein), with the completion of the Exchange Offer to occur prior to the Merger Effective Time (as defined herein);

Certain subsidiaries of McDermott will complete an acquisition transaction (the CB&I Technology Acquisition ) no later than immediately prior to the time at which McDermott Bidco accepts all shares of CB&I Common Stock validly tendered and not properly withdrawn in the Exchange Offer (the Exchange Offer Effective Time ), pursuant to which they will acquire for cash the equity of certain CB&I subsidiaries that own CB&I s technology business, and the cash proceeds paid in the CB&I Technology Acquisition will be used to repay certain existing debt of CB&I;

McDermott Bidco will complete the Exchange Offer;

Promptly following the Exchange Offer Effective Time, CB&I, CB&I Newco and Comet II B.V., a company organized under the laws of the Netherlands and a direct wholly owned subsidiary of CB&I Newco referred to as CB&I Newco Sub, will complete a merger transaction (the Merger ), pursuant to which CB&I will merge with and into CB&I Newco Sub, with: (1) CB&I Newco Sub continuing as a wholly owned subsidiary of CB&I Newco; (2) all holders of shares of CB&I Common Stock becoming shareholders of CB&I Newco; and (3) McDermott Bidco becoming a shareholder of CB&I Newco, as a result of any shares it will have validly accepted for exchange in the Exchange Offer being exchanged for shares of CB&I Newco pursuant to the terms of the Merger;

McDermott Bidco and CB&I Newco will complete a share purchase and sale transaction, as a result of which CB&I Newco Sub will become an indirect subsidiary of McDermott through the sale of all of the outstanding shares in the capital of CB&I Newco Sub to McDermott Bidco in exchange for an Exchangeable Note (as defined herein); and

CB&I Newco will be dissolved and liquidated (the "Liquidation"), as a result of which former CB&I shareholders that become CB&I Newco shareholders in the Merger will receive shares of McDermott Common Stock allotted upon the mandatory exchange of the Exchangeable Note, subject to applicable withholding taxes, including the Dutch Dividend Withholding Tax.

As a result of the Core Transactions, shareholders of CB&I who do not validly tender in (or who properly withdraw their shares of CB&I Common Stock from) the Exchange Offer and, as a result of the Merger, become CB&I Newco shareholders, will be entitled to receive, in respect of each former share of CB&I Common Stock, upon completion of the Liquidation, 2.47221 shares of common stock, par value \$1.00 of McDermott ("McDermott Common Stock"), or, if the McDermott Reverse Stock Split (as defined below) has occurred prior to the date on which the Exchange Offer Effective Time (as defined below) occurs, 0.82407 shares of McDermott Common Stock, together with cash in lieu of fractional shares. The consideration per share of CB&I Common Stock to be received pursuant to the Core Transactions is the same as the Exchange Offer Ratio, except that the receipt of shares of McDermott Common Stock and cash

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in lieu of fractional shares pursuant to the Liquidation generally will be subject to Dutch Dividend Withholding Tax.

**Q: What will happen to CB&I as a result of the Combination?**

A: If the Combination is completed, CB&I will cease to exist after the Merger and CB&I Newco Sub, the surviving company in the Merger, will become a wholly owned subsidiary of McDermott. As a result of the Combination, CB&I will no longer be a publicly held company. Following the Combination, CB&I intends to delist the CB&I Common Stock from the New York Stock Exchange ( NYSE ) and deregister the CB&I Common Stock under the Securities Exchange Act of 1934, as amended (the Exchange Act ).

**Q: Is the completion of the Combination subject to any conditions?**

A: Yes. In addition to the approval of certain resolutions by McDermott stockholders and CB&I shareholders, completion of the Combination requires the receipt of certain governmental and regulatory approvals and the satisfaction or, to the extent permitted by applicable law, waiver of the other conditions specified in the Business Combination Agreement.

**Q: When do you expect to complete the Combination?**

A: McDermott and CB&I are working to complete the Combination as promptly as practicable. McDermott and CB&I currently expect to complete the Combination in the second quarter of 2018, subject to regulatory approvals, approval of certain resolutions by McDermott s stockholders and CB&I s shareholders and other customary closing conditions. However, no assurance can be given as to when, or if, the Combination will occur.

**Q: What happens if the Combination is not completed?**

A: If the resolutions necessary to effectuate the Business Combination Agreement are not approved by McDermott stockholders or CB&I shareholders or if the Combination is not completed for any other reason, CB&I shareholders will not receive shares of McDermott Common Stock in exchange for their CB&I Common Stock in connection with the Business Combination Agreement. Instead, CB&I will remain a public company and CB&I Common Stock will continue to be registered under the Exchange Act and traded on the NYSE.

If the Business Combination Agreement is terminated under specified circumstances, McDermott or CB&I may be required to pay the other party a termination fee of \$60 million as described under The Business Combination Agreement Termination, Amendment and Waiver beginning on page 148 of this document.

**Q: What do CB&I shareholders receive if the Combination is completed?**

A: For each share of CB&I Common Stock, whether exchanged in the Exchange Offer or as part of the Merger and Liquidation, CB&I shareholders will be entitled to receive 2.47221 shares of McDermott Common Stock (or 0.82407 shares of McDermott Common Stock, if the proposed reverse stock split described in McDermott Proposal No. 1 is completed), plus cash in lieu of any fractional shares, less any applicable withholding taxes (the Per Share Consideration ).

**Q: How do I calculate the value of the Combination consideration?**

A: Because McDermott will issue a fixed number of shares of McDermott Common Stock as the Per Share Consideration, the value of the Per Share Consideration will depend on the price per share of McDermott

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Common Stock at the time the Combination is completed. That price will not be known at the time of the CB&I Special General Meeting or McDermott Special Meeting and may be greater or less than the current price of the McDermott Common Stock or the price of shares of McDermott Common Stock at the time of the CB&I Special General Meeting or the McDermott Special Meeting. The market price of the McDermott Common Stock will fluctuate prior to the Combination, and the market price of the shares of McDermott Common Stock when received by CB&I shareholders after the Combination is completed could be greater or less than the current market price of the McDermott Common Stock. See **Risk Factors** beginning on page 25 of this proxy statement/prospectus.

Based on the closing price of the McDermott Common Stock on the NYSE on December 18, 2017, the last trading day before the public announcement of the Business Combination Agreement, the Per Share Consideration was \$18.76 per share of CB&I Common Stock. Based on the closing price of the McDermott Common Stock on the NYSE on March 1, 2018, the most recent practicable trading day prior to the date of this document, the Per Share Consideration was \$17.90 per share of CB&I Common Stock. We urge you to obtain current market quotations of McDermott Common Stock and CB&I Common Stock.

**Q: Are CB&I shareholders entitled to appraisal rights?**

A: Neither CB&I shareholders nor CB&I Newco shareholders are entitled under Dutch law or otherwise to appraisal or dissenters' rights related to the CB&I Common Stock or CB&I Newco common stock in connection with the Combination.

McDermott stockholders are not entitled to appraisal or dissenters' rights with respect to the McDermott Reverse Stock Split.

**Q: What are the material tax consequences of the Combination?**

A: Although McDermott and CB&I have agreed to use commercially reasonable efforts to cause the Merger and the related elements of the Combination, taken together, to qualify as one or more reorganizations within the meaning of Section 368(a) of the Internal Revenue Code, there can be no assurance that the Merger and related elements of the Combination will so qualify. In addition, the completion of the Combination is not conditioned on qualification as a reorganization or upon the receipt of an opinion of counsel or IRS ruling to that effect. U.S. holders (as defined under **Material Tax Consequences of the Combination**) of shares of CB&I Common Stock will be required to recognize gain for U.S. federal income tax purposes on the receipt of shares of McDermott Common Stock if the Merger and related elements of the Combination, taken together, fail to qualify as one or more reorganizations within the meaning of Section 368(a) of the Internal Revenue Code.

In addition, holders of CB&I Common Stock who receive shares of McDermott Common Stock and cash in lieu of fractional shares pursuant to the Liquidation (rather than the Exchange Offer) generally will be subject to Dutch Dividend Withholding Tax.

**Q: What happens to CB&I equity awards?**



- A: At the Merger Effective Time, all outstanding unexercised options to purchase shares of CB&I Common Stock ( CB&I Options ) will immediately vest and be converted into options to purchase shares of McDermott Common Stock with the duration and terms of such converted options to remain generally the same as the original CB&I Options. The number of shares of McDermott Common Stock subject to each converted option will be determined by multiplying the number of shares of CB&I Common Stock subject to the original CB&I Option by the Exchange Offer Ratio, rounded down to the nearest whole share. The option exercise price per share of McDermott Common Stock will be equal to the option exercise price per share of CB&I Common Stock under the original CB&I Option divided by the Exchange Offer Ratio, rounded up to the nearest whole cent.

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At the Merger Effective Time, each outstanding award of performance shares relating to CB&I Common Stock (each, a CB&I Performance Share Award ) will be canceled and converted into the right to receive cash, without interest and less applicable withholding taxes, in an amount equal to (1) the product of (a) the Exchange Offer Ratio, (b) the target number of shares of CB&I Common Stock subject to the CB&I Performance Share Award and (c) the closing price for a share of McDermott Common Stock on the business day immediately preceding the date of the closing of the Combination plus (2) an amount equal to any dividend equivalents associated with the CB&I Performance Share Award at that time.

At the Merger Effective Time: (1) each outstanding restricted stock unit award granted by CB&I ( CB&I Restricted Stock Unit Awards ) that is held by a non-employee member of the CB&I Supervisory Board (whether or not vested); (2) each vested CB&I Restricted Stock Unit Award held by a member of a specific group of executive officers of CB&I that has not been settled; (3) each CB&I Restricted Stock Unit Award that vests in accordance with its terms as result of the Combination; and (4) each vested share of CB&I Common Stock deferred pursuant to any CB&I equity compensation plan, will, in each case, be converted into a right to receive (a) a number of shares of McDermott Common Stock equal to the product of (i) the number of shares of CB&I Common Stock subject to the original CB&I award and (ii) the Exchange Offer Ratio, rounded to the nearest whole number of shares, plus (b) cash in an amount equal to any dividend equivalents associated with the CB&I Restricted Stock Unit Award at that time, subject to applicable withholding taxes.

At the Merger Effective Time, each other outstanding CB&I Restricted Stock Unit Award will be converted into a right to receive an award of restricted stock units that will be settled in McDermott Common Stock with substantially the same terms as the original CB&I award, including the vesting schedule and any conditions and restrictions on receipt. The number of shares of McDermott Common Stock subject to the converted restricted stock unit award will be determined by multiplying the number of shares of CB&I Common Stock subject to the original CB&I Restricted Stock Unit Award by the Exchange Offer Ratio, rounded to the nearest whole number of shares. The transactions contemplated by the Business Combination Agreement will not be considered a change in control for purposes of any award of CB&I Restricted Stock Units granted on or after December 18, 2017.

The CB&I Employee Stock Purchase Plan and Supervisory Board Stock Purchase Plan were suspended effective January 1, 2018, and such plans will be terminated effective as of, and contingent upon, the Merger Effective Time.

### **Q: Will the shares of McDermott Common Stock received in consideration for shares of CB&I Common Stock be traded on an exchange?**

A: It is a condition to the consummation of the Combination that the shares of McDermott Common Stock to be issued to CB&I shareholders in the Exchange Offer and the Combination be approved for listing on the NYSE, subject to official notice of issuance.

### **About the Special Meetings**

#### ***About the McDermott Special Meeting***

### **Q: What are the proposals on which McDermott stockholders are being asked to vote?**

A: McDermott stockholders are being asked to consider and vote on a proposal to adopt a resolution providing for an amendment to the McDermott amended and restated articles of incorporation (the McDermott Articles ) (1) to effect a 3-to-1 reverse stock split of the McDermott Common Stock (the McDermott Reverse Stock Split ) and (2) to decrease the authorized shares of McDermott Common Stock to 255,000,000 shares (the McDermott Reverse Stock Split Articles Amendment Resolution ).

McDermott stockholders are also being asked to consider and vote on a proposal to adopt a resolution providing for an amendment to the McDermott Articles (the McDermott Authorized Capital Articles

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Amendment ) to increase the authorized shares of McDermott Common Stock to 765,000,000 shares (the McDermott Authorized Capital Articles Amendment Resolution ). If adopted, the McDermott Authorized Capital Articles Amendment Resolution will only become effective if the McDermott Reverse Stock Split Articles Amendment Resolution is not adopted at the McDermott Special Meeting.

McDermott stockholders are also being asked to consider and vote on a proposal to issue shares of McDermott Common Stock in connection with the Exchange Offer and the Core Transactions, including the issuance pursuant to the Exchangeable Note, under the terms of the Business Combination Agreement (the McDermott Stock Issuance ).

Finally, McDermott stockholders are being asked to consider and vote on a proposal to approve any motion to adjourn the McDermott Special Meeting, if necessary, to solicit additional proxies if there are not sufficient votes to approve the McDermott Stock Issuance proposal and either the McDermott Reverse Stock Split Articles Amendment Resolution or the McDermott Authorized Capital Articles Amendment Resolution (the McDermott Meeting Adjournment ).

### **Q: Does my vote matter?**

A: Yes, your vote is very important. We encourage you to vote as soon as possible.

The Combination cannot be completed unless the McDermott stockholders approve the McDermott Stock Issuance and either the McDermott Reverse Stock Split Amendment Resolution or the McDermott Authorized Capital Articles Amendment Resolution.

### **Q: How many votes are required to approve each proposal.**

A: The affirmative vote of the holders of a majority of the shares of McDermott Common Stock outstanding and entitled to vote at the McDermott Special Meeting (meaning that, of the shares of McDermott Common Stock outstanding, excluding treasury shares, a majority must be voted FOR the proposal) is required to approve each of the McDermott Reverse Stock Split Articles Amendment Resolution and the McDermott Authorized Capital Articles Amendment Resolution.

The affirmative vote of the holders of a majority of the votes cast on the matter by holders of shares of McDermott Common Stock present in person or represented by proxy at the McDermott Special Meeting (meaning the number of shares voted FOR the proposal must exceed the number of shares voted AGAINST such proposal plus abstentions) is required to approve the McDermott Stock Issuance proposal.

The affirmative vote of the holders of a majority of the shares of McDermott Common Stock present in person or represented by proxy at the meeting, whether or not a quorum is present, is required to approve the McDermott Meeting Adjournment.

### **Q: How does the McDermott Board of Directors recommend that I vote at the McDermott Special Meeting?**

A: The McDermott Board of Directors (the McDermott Board ) has, by a vote of eight to one: (1) determined that the Core Transactions and the Exchange Offer and the other transactions contemplated by the Business Combination Agreement are in the best interests of McDermott and the McDermott stockholders, that it is in the best interests of McDermott and the McDermott stockholders to enter into the Business Combination Agreement; (2) adopted and approved the Business Combination Agreement and McDermott's execution, delivery and performance of the Business Combination Agreement and the consummation of the transactions contemplated by the Business Combination Agreement, including the McDermott Reverse Stock Split Articles Amendment, the McDermott Authorized Capital Articles Amendment and the McDermott Stock Issuance; and (3) resolved to recommend that the McDermott stockholders approve the McDermott Stock Issuance and adopt the McDermott Reverse Stock Split Articles Amendment and the McDermott Authorized Capital Articles Amendment.

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Accordingly, the McDermott Board recommends that McDermott stockholders vote:

FOR the McDermott Reverse Stock Split Articles Amendment Resolution;

FOR the McDermott Authorized Capital Articles Amendment Resolution;

FOR the McDermott Stock Issuance proposal; and

FOR the McDermott Meeting Adjournment proposal.

Stephen G. Hanks, the dissenting director, did not vote in favor of the transaction due in large part to his stated belief that the business operated by CB&I is inherently subject to the types of problems that CB&I has been experiencing recently in connection with its four significant contracts that have negatively impacted CB&I's results of operations in recent periods. See McDermott's Reasons for the Combination; Recommendation of the McDermott Board Views of Dissenting Director.

**Q: When and where is the McDermott Special Meeting?**

A: The McDermott Special Meeting will take place on [ ], 2018, at [ ] [a./p.]m., [ ] Time, at [ ].

**Q: Who is entitled to vote at the McDermott Special Meeting?**

A: If you were a stockholder of record, meaning that you were a registered stockholder with McDermott's transfer agent and registrar, Computershare Trust Company, N.A., on [ ], 2018, the record date for the McDermott Special Meeting established by the McDermott Board (the McDermott Record Date), you may vote your shares on the matters to be considered by McDermott's stockholders at the McDermott Special Meeting. If your shares were held by a bank, broker, trust company or other nominee (that is, in street name) on that date, the broker or other nominee that was the record holder of your shares has the authority to vote them at the McDermott Special Meeting. You should follow the instructions provided by them to vote your shares.

**Q: How many votes do I have?**

A: You are entitled to one vote for each share of McDermott Common Stock that you owned as of the close of business on the McDermott Record Date. As of the close of business on the McDermott Record Date, there were approximately [ ] outstanding shares of McDermott Common Stock.

**Q: How do I vote?**

A: Stockholders of record may vote in person by attending the McDermott Special Meeting, or by telephone, Internet or mail. If you are voting by mail, please sign, date and return the enclosed proxy card. If you are voting by telephone or Internet, please follow the instructions on the enclosed proxy card. Whether or not you plan to attend the McDermott Special Meeting, we encourage you to vote by proxy as soon as possible. If your shares are held in the name of a bank, broker, trust company or other nominee, follow the instructions you receive from your nominee on how to vote your shares. If you hold your shares in more than one type of account or your shares are registered differently, you may receive more than one proxy card. We encourage you to vote each proxy card that you receive.

If you choose to attend the McDermott Special Meeting in person, a government-issued picture identification will be required to enter the McDermott Special Meeting. If you are the representative of a corporate or institutional stockholder, you must present valid photo identification along with proof that you are the representative of such stockholder. If your shares are held by a bank, broker, trust company or other nominee, you will be required to present evidence of your ownership of shares, which you can obtain from your broker, bank, trust company or other nominee.

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**Q: How will my shares be voted?**

A: If you vote by proxy, the individuals named on the proxy card (your proxies) will vote your shares in the manner you indicate.

If you sign and return your proxy card without indicating your voting instructions, your shares will be voted **FOR** the adoption of the McDermott Reverse Stock Split Articles Amendment Resolution, the adoption of the McDermott Authorized Capital Articles Amendment Resolution, the adoption of the McDermott Stock Issuance proposal and the adoption of the McDermott Meeting Adjournment proposal, if necessary to solicit additional proxies.

**Q: What if my shares are held by a broker?**

A: If your shares of McDermott Common Stock are held in street name, you must provide the record holder of your shares with instructions on how to vote your shares. Please follow the voting instructions provided by your bank, broker, trust company or other nominee. Please note that you may not vote shares held in street name by returning a proxy card directly to McDermott or by voting in person at the McDermott Special Meeting unless you provide a legal proxy, which you must obtain from your bank, broker, trust company or other nominee.

If you do not instruct your bank, broker, trust company or other nominee on how to vote your shares, your nominee may not vote your shares on: (1) the proposal to adopt the McDermott Reverse Stock Split Articles Amendment Resolution (which will have the same effect as a vote **AGAINST** adoption of the McDermott Reverse Stock Split Articles Amendment Resolution); (2) the proposal to adopt the McDermott Authorized Capital Articles Amendment Resolution (which will have the same effect as a vote **AGAINST** adoption of the McDermott Authorized Capital Articles Amendment Resolution); (3) the adoption of the McDermott Stock Issuance proposal (which, assuming the presence of a quorum, will have no effect on the adoption of the McDermott Stock Issuance proposal); or (4) the adoption of the McDermott Meeting Adjournment proposal (which will have the same effect as a vote **AGAINST** adoption of the McDermott Meeting Adjournment proposal).

**Q: May I revoke or change my vote?**

A: *If you are a stockholder of record*, you may change your vote by written notice to our Corporate Secretary, by granting a new proxy before the McDermott Special Meeting or by voting in person at the McDermott Special Meeting. Unless you attend the meeting and vote your shares in person, you should change your vote before the meeting using the same method (by Internet, telephone or mail) that you first used to vote your shares. That way, the inspectors of election for the meeting will be able to verify your latest vote.

*If you are the beneficial owner, but not the holder of record, of shares*, you should follow the instructions in the information provided by your broker or nominee to change your vote before the meeting. If you want to change your vote as to shares of which you are the beneficial owner by voting in person at the McDermott Special Meeting, you must obtain a valid legal proxy from the broker or nominee that holds those shares for you.

Written notices of revocation and other communications with respect to the revocation of proxies should be addressed as follows: McDermott International, Inc. Attention: Corporate Secretary, 4424 West Sam Houston Parkway North, Houston, Texas 77041.



**Q: What happens if I sell my shares after the McDermott Record Date but before the McDermott Special Meeting?**

A: The McDermott Record Date is earlier than the date of the McDermott Special Meeting and the date that the Combination is expected to be completed. If you sell or otherwise transfer your shares of McDermott Common Stock after the McDermott Record Date but before the date of the McDermott Special Meeting, you will retain your right to vote at the McDermott Special Meeting.

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**Q: What constitutes a quorum?**

A: The presence at the meeting, in person or by proxy, of holders of a majority of the outstanding shares of McDermott Common Stock as of the McDermott Record Date will constitute a quorum. If you attend the McDermott Special Meeting or vote your shares using the enclosed proxy card or voting instruction form (including any telephone or Internet voting procedures provided), your shares will be counted toward a quorum, even if you abstain from voting on a particular matter. Broker non-votes (*i.e.*, shares held by brokers and other nominees as to which they have not received voting instructions from the beneficial owners and lack the discretionary authority to vote on a proposed resolution) will count for quorum purposes.

**Q: What will happen if I return my proxy card without indicating how to vote?**

A: If you are a holder of record and you sign and return your proxy card without indicating how to vote on any particular proposal, the McDermott Common Stock represented by your proxy will be voted FOR the adoption of the McDermott Reverse Stock Split Articles Amendment Resolution, the adoption of the McDermott Authorized Capital Articles Amendment Resolution, the adoption of the McDermott Stock Issuance proposal and the adoption of the McDermott Meeting Adjournment proposal, if necessary to solicit additional proxies.

**Q: What happens if I do not specify a choice for a proposal when returning a proxy or do not cast my vote or abstain from voting?**

A: You should specify your choice for each proposal on your proxy card or voting instruction form. Shares represented by proxies will be voted in accordance with the instructions given by the stockholders.

*If you are a stockholder of record of shares of McDermott Common Stock and your proxy card is signed and returned without voting instructions, it will be voted according to the recommendations of the McDermott Board.*

*If you are the beneficial owner, but not the holder of record, of shares of McDermott Common Stock and fail to provide voting instructions, your broker or other holder of record may not vote on the adoption of the McDermott Reverse Stock Split Articles Amendment Resolution, the adoption of the McDermott Authorized Capital Articles Amendment Resolution, the McDermott Stock Issuance proposal or the McDermott Meeting Adjournment proposal, and no votes will be cast on your behalf with respect to those matters.*

Failures to vote, abstentions and broker non-votes will have the same effect as votes AGAINST the adoption of the McDermott Reverse Stock Split Articles Amendment Resolution and the adoption of the McDermott Authorized Capital Articles Amendment Resolution. Because failures to vote and broker non-votes are not actual votes cast (assuming that a quorum is present), they will have no effect on the outcome of the vote on the McDermott Stock Issuance proposal. However, under applicable rules of the NYSE, an abstention will have the same effect as a vote AGAINST the McDermott Stock Issuance proposal. Failures to vote by McDermott stockholders that attend the McDermott Special Meeting in person, abstentions and broker non-votes will have the same effect as votes AGAINST the McDermott Meeting Adjournment proposal. Failures to vote by McDermott stockholders not attending the McDermott Special Meeting, in person or by proxy, will have no effect on the McDermott Meeting Adjournment proposal, whether or not a quorum is present.

**Q: Who pays the cost of the proxy solicitation for the McDermott Special Meeting?**

A: McDermott will pay the cost of solicitation of proxies for the McDermott Special Meeting, including preparing, printing and mailing this joint proxy statement/prospectus. McDermott has retained MacKenzie Partners, Inc. to help in soliciting proxies for a fee not to exceed \$75,000, plus reimbursement for out-of-pocket expenses.

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**Q: Who may attend the McDermott Special Meeting?**

A: Holders of record of McDermott Common Stock as of the close of business on the McDermott Record Date may attend the McDermott Special Meeting. No guests will be admitted, except for guests invited by McDermott. Registration will begin at [ ] a.m., and the meeting will begin promptly at [ ] a.m. If your shares are held in street name through a broker, bank, trustee or other nominee, you are a beneficial owner, and beneficial owners will need to show proof of beneficial ownership, such as a copy of a brokerage account statement, reflecting stock ownership as of the McDermott Record Date in order to be admitted to the meeting. If you are a proxy holder for a stockholder, you will need to bring a validly executed proxy naming you as the proxy holder, together with proof of record ownership of the stockholder naming you as proxy holder. Please note that you may be asked to present valid government-issued photo identification, such as a valid driver's license or passport, when you check in for registration. No cameras, recording equipment or other electronic devices will be allowed to be brought into the meeting room by stockholders or beneficial owners.

**Q: What do I do if I receive more than one set of voting materials?**

A: You may receive more than one set of voting materials for the McDermott Special Meeting, including multiple copies of this joint proxy statement/prospectus, proxy cards and/or voting instruction forms. This can occur if your shares are held through more than one account (*e.g.*, through different brokers or nominees), if you hold shares directly as a record holder and also in street name, or otherwise through a nominee, and in certain other circumstances. Each proxy card or voting instruction form only covers those shares of McDermott Common Stock held in the applicable account. If you receive more than one set of voting materials, each should be voted and/or returned separately in order to ensure that all of your shares are voted.

**Q: Who is the inspector of the election?**

A: A representative of Broadridge Financial Solutions, Inc. will serve as the inspector of election for the McDermott Special Meeting.

**Q: Where can I find the voting results of the McDermott Special Meeting?**

A: The preliminary voting results will be announced at the McDermott Special Meeting. In addition, within four business days following certification of the final voting results, McDermott intends to file the final voting results with the U.S. Securities and Exchange Commission (the SEC) on a Current Report on Form 8-K.

**Q: What do I need to do now?**

A: Carefully read and consider the information contained in and incorporated by reference into this joint proxy statement/prospectus, including its annexes. Then, please vote your shares of McDermott Common Stock, which

you may do by:

completing, dating, signing and returning the enclosed proxy card in the accompanying postage-paid envelope;

submitting your proxy by telephone or via the Internet by following the instructions included on your proxy card; or

attending the McDermott Special Meeting and voting by ballot in person.

If your shares are held in the name of a bank, broker, trust company or other nominee, please instruct your nominee to vote your shares by following the instructions you receive from your nominee.

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***About the CB&I Special General Meeting***

**Q: What are the proposals on which CB&I shareholders are being asked to vote?**

A: CB&I shareholders are being asked to consider and vote on the following proposals:

a resolution providing for an amendment to CB&I's amended and restated articles of association as set forth in Annex G attached hereto to remove the supermajority voting requirement for certain resolutions when any person, alone or together with a group, holds more than fifteen percent (15%) of the outstanding share capital of CB&I (the *Articles Amendment Resolution*);

a resolution to enter into and effectuate the Merger in accordance with the Merger Proposal (as defined in the Business Combination Agreement) (the *Merger Resolution*);

(a) a resolution to approve the acquisition, no later than immediately prior to the Exchange Offer Effective Time, by certain subsidiaries of McDermott of the equity of certain CB&I subsidiaries that own CB&I's technology business for cash (to the extent required by law), and (b) a resolution to approve the sale by Comet I B.V., a direct wholly owned subsidiary of CB&I, of all of the issued and outstanding shares in the share capital of Comet II B.V. to McDermott Technology, B.V., a wholly owned subsidiary of McDermott (or its designee) (together, the *Sale Resolutions*);

a resolution to, effective as of the Share Sale Effective Time (as defined herein), (a) approve the dissolution of Comet I B.V., (b) approve the appointment of Stichting Vereffening Chicago Bridge & Iron Company as liquidator of Comet I B.V. and (c) approve the appointment of (an affiliate of) McDermott Technology, B.V. as the custodian of the books and records of Comet I B.V. in accordance with Section 2:24 of the Dutch Civil Code (the *Liquidation Resolutions*);

a resolution to, effective as of the Exchange Offer Effective Time, grant full and final discharge to each member of the CB&I Supervisory Board and the CB&I Management Board for his or her acts of supervision or management, as applicable, up to the date of the CB&I Special General Meeting (the *Discharge Resolutions*); and

a proposal to approve, by non-binding advisory vote, the compensation that may become or has become payable to CB&I's named executive officers in connection with the Combination (the *Compensation Resolution*).

**Q: Does my vote matter?**

A: Yes, your vote is very important. We encourage you to vote as soon as possible.

The Combination cannot be completed unless the CB&I shareholders approve the Merger Resolution, the Sale Resolutions (to the extent required by applicable law), the Liquidation Resolutions, and the Discharge Resolutions.

**Q: How many votes are required to approve each proposal?**

A: The affirmative vote of a majority of the votes cast on the matter by holders of shares of CB&I Common Stock outstanding and entitled to vote at the CB&I Special General Meeting (meaning the number of shares voted FOR the proposal must exceed the number of shares voted AGAINST the proposal) is required to approve the Articles Amendment Resolution, the Sale Resolutions, the Liquidation Resolutions, the Discharge Resolutions and the Compensation Resolution at the CB&I Special General Meeting.

Assuming the Articles Amendment Resolution is adopted and implemented and so long as at least fifty percent (50%) of the issued and outstanding CB&I share capital is present at the CB&I Special General Meeting, in person or by proxy, the affirmative vote of a majority of the votes cast on the matter by holders of shares of CB&I Common Stock outstanding and entitled to vote at the CB&I Special General Meeting (meaning the number of shares voted FOR the proposal must exceed the number of shares voted AGAINST the proposal) is required to approve the Merger Resolution at the CB&I Special General Meeting.

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If less than fifty percent (50%) of the issued and outstanding CB&I share capital is present at the CB&I Special General Meeting, in person or by proxy, the affirmative vote of at least two-thirds of the votes cast on the matter by holders of shares of CB&I Common Stock outstanding and entitled to vote at the CB&I Special General Meeting is required to approve the Merger Resolution.

However, if the Articles Amendment Resolution is not adopted at the CB&I Special General Meeting and there is a person that alone or together with a group (beneficially) holds more than fifteen percent (15%) of the issued and outstanding share capital of CB&I at the time of the CB&I Special General Meeting, the affirmative vote of at least eighty percent (80%) of the shares of CB&I Common Stock outstanding and entitled to vote at the CB&I Special General Meeting (meaning that, of the shares of CB&I Common Stock outstanding, excluding treasury shares, at least 80% must be voted FOR the proposal) is required to approve the Merger Resolution. In such case, failures to vote by CB&I shareholders, whether or not they attend the CB&I Special General Meeting in person or by proxy, abstentions and broker non-votes will have the same effect as votes AGAINST the adoption of the Merger Resolution.

**Q: How does the CB&I Supervisory Board and the CB&I Management Board (the CB&I Boards ) recommend that I vote at the CB&I Special General Meeting?**

A: The CB&I Boards have: (1) determined that the Core Transactions and the Exchange Offer and the other transactions contemplated by the Business Combination Agreement (and any prior or subsequent (legal or other) acts necessary or desirable to effectuate or implement the transactions contemplated by the Business Combination Agreement) are in the best interests of CB&I and the CB&I shareholders, and that the foregoing is in the best interests of CB&I and its business, taking into account the interests of shareholders, creditors, employees, and other stakeholders of CB&I and the CB&I group; (2) approved the Business Combination Agreement and CB&I's execution, delivery and performance of the Business Combination Agreement and the consummation of the transactions contemplated by the Business Combination Agreement; (3) resolved to recommend that the CB&I shareholders adopt and approve the Articles Amendment Resolution, Merger Resolution, Sale Resolutions, Liquidation Resolutions and Discharge Resolutions; and (4) resolved to support the Exchange Offer and to recommend acceptance of the Exchange Offer by the shareholders of CB&I, in each case upon the terms and subject to the conditions stated in the Business Combination Agreement.

The CB&I Boards recommend that CB&I shareholders vote:

1. FOR the Articles Amendment Resolution;
2. FOR the Merger Resolution;
3. FOR the Sale Resolutions;
4. FOR the Liquidation Resolutions;



5. FOR the Discharge Resolutions; and

6. FOR the Compensation Resolution.

In addition, the CB&I Boards recommend that CB&I shareholders accept the Exchange Offer.

**Q: What happens if I sell or tender my shares after the CB&I Record Date but before the CB&I Special General Meeting?**

A: The CB&I Record Date (as defined below) is earlier than the date of the CB&I Special General Meeting and the date that the Combination is expected to be completed. If you sell, tender in the Exchange Offer or otherwise transfer your shares of CB&I Common Stock after the CB&I Record Date but before the date of the CB&I Special Meeting, you will retain your right to vote at the CB&I Special Meeting. However, you will not have the right to receive the Per Share Consideration to be received by CB&I shareholders in the Combination unless you either (1) tender your shares of CB&I Common Stock in the Exchange Offer or (2) continue to hold your shares of CB&I Common Stock through completion of the Combination.

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**Q: Why am I being asked to consider and vote on a proposal, by non-binding, advisory vote, concerning compensation that may become payable to CB&I's named executive officers in connection with the Combination?**

A: Under SEC rules, CB&I is required to seek a non-binding, advisory vote with respect to certain compensation that may become payable to CB&I's named executive officers in connection with the Combination.

**Q: When and where is the CB&I Special General Meeting?**

A: The CB&I Special General Meeting will take place on [ ], 2018, at [ ] [a./p.]m., [ ] local time, at [ ].

**Q: Who is entitled to vote at the CB&I Special General Meeting?**

A: If you were a shareholder of record, meaning that you were a registered in the CB&I share register as referred to in section 2:85 of the Dutch Civil Code, part of which is kept by Computershare Trust Company, N.A. on behalf of CB&I (the "CB&I Share Register") on [ ], 2018, the record date for the CB&I Special General Meeting established by the CB&I Management Board (the "CB&I Record Date"), you may vote your shares on the matters to be considered by CB&I's shareholders at the CB&I Special General Meeting, even if you have tendered your shares in the Exchange Offer. If your shares were held by a bank, broker, trust company or other nominee (that is, in "street name") on that date, the broker or other nominee that was the record holder of your shares has the authority to vote them at the CB&I Special General Meeting. You should follow the instructions provided by them to vote your shares.

Unless the context otherwise requires, references to "shareholders" refer to those who on the record date are, and are registered in the CB&I Share Register as, holders of shares of CB&I Common Stock or others with meeting rights under Dutch law with respect to shares of CB&I Common Stock.

**Q: How many votes do I have?**

A: You are entitled to one vote for each share of CB&I Common Stock that you owned as of the close of business on the CB&I Record Date. As of the close of business on the CB&I Record Date, there were approximately [ ] outstanding shares of CB&I Common Stock.

**Q: How do I vote?**

A: If you are a shareholder of record registered in the CB&I Share Register, you may vote your shares in person by attending the CB&I Special General Meeting, or vote now by giving your proxy via Internet or mail. You may give your proxy by following the instructions included in the enclosed proxy card. If you give your proxy to vote using the Internet, you will save CB&I mailing expenses.

Admittance of shareholders and acceptance of written voting proxies shall be governed by Dutch law. Only shareholders registered in the CB&I Share Register as of the record date, or such shareholders' proxies, who have requested that the holder of the CB&I Share Register (either the CB&I Management Board or Computershare Trust Company, N.A.) notify CB&I by [ ], 2018 of his or her or his or her proxy's intention to attend the CB&I Special General Meeting, may attend the CB&I Special General Meeting. The notice must state the name and number of shares the person will represent at the CB&I Special General Meeting. All attendees must be prepared to identify themselves with a valid proof of identity for admittance.

If you are not a shareholder of record registered in the CB&I Share Register, you may not attend the CB&I Special General Meeting without the invitation of the chairman of the CB&I Supervisory Board. You may vote now by giving your proxy via Internet, telephone or mail. You may give your proxy by following the instructions included in the enclosed proxy card. If you vote using either the telephone or the Internet, you will save CB&I mailing expenses.

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**Q: How will my shares be voted?**

A: If you vote by proxy, the individuals named on the proxy card (your proxies) will vote your shares in the manner you indicate.

If you sign and return your proxy card without indicating your voting instructions, your shares will be voted **FOR** each of the Articles Amendment Resolution, the Merger Resolution, the Sale Resolutions, the Liquidation Resolutions, the Discharge Resolutions and the Compensation Resolution.

**Q: What if my shares are held by a broker?**

A: If your shares of CB&I Common Stock are held in street name, you must provide the record holder of your shares with instructions on how to vote your shares. Please follow the voting instructions provided by your bank, broker, trust company or other nominee. Please note that you may not vote shares held in street name by returning a proxy card directly to CB&I unless you provide a legal proxy, which you must obtain from your bank, broker, trust company or other nominee.

If you do not instruct your bank, broker, trust company or other nominee on how to vote your shares, your nominee may not vote your shares on any of the proposals put forth for resolution at the CB&I Special General Meeting.

**Q: May I revoke or change my vote?**

A: *If you are a shareholder of record*, you may change your vote by written notice to our Corporate Secretary, by granting a new proxy before the CB&I Special General Meeting or by voting in person at the CB&I Special General Meeting (subject to complying with the notification procedures necessary for attendance). Unless you attend the meeting and vote your shares in person, you should change your vote before the meeting using the same method (by Internet or mail) that you first used to vote your shares. That way, the inspectors of election for the meeting will be able to verify your latest vote.

*If you are the beneficial owner, but not the holder of record, of shares*, you should follow the instructions in the information provided by your broker or nominee to change your vote before the meeting.

Written notices of revocation and other communications with respect to the revocation of proxies should be addressed as follows: Corporate Secretary, Chicago Bridge & Iron Company N.V., Prinses Beatrixlaan 35, 2595 AK The Hague, The Netherlands.

**Q: What constitutes a quorum?**

A: CB&I does not have a quorum requirement. However, if less than fifty percent (50%) of the issued and outstanding share capital of CB&I is present at the CB&I Special General Meeting, in person or by proxy, the applicable voting standard for the Merger Resolution increases from an affirmative majority of the votes cast on

the matter to at least two-thirds of the votes cast on the matter.

If you attend the CB&I Special General Meeting or vote your shares using the enclosed proxy card or voting instruction form (including any telephone or Internet voting procedures provided), your shares will be counted as present, even if you abstain from voting on a particular matter. Broker non-votes (i.e., shares held by brokers and other nominees as to which they have not received voting instructions from the beneficial owners and lack the discretionary authority to vote on a proposed resolution) will not be counted as present.

**Q: What will happen if I return my proxy card without indicating how to vote?**

A: If you are a holder of record and you sign and return your proxy card without indicating how to vote on any particular proposal, the shares of CB&I Common Stock represented by your proxy will be voted FOR each of the Articles Amendment Resolution, the Merger Resolution, the Sale Resolutions, the Liquidation Resolutions, the Discharge Resolutions and the Compensation Resolution.

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**Q: What happens if I do not specify a choice for a proposal when returning a proxy or do not cast my vote or abstain from voting?**

A: You should specify your choice for each proposal on your proxy card or voting instruction form. Shares represented by proxies will be voted in accordance with the instructions given by the shareholders.

*If you are a shareholder of record of shares of CB&I Common Stock and your proxy card is signed and returned without voting instructions, it will be voted according to the recommendations of the CB&I Boards.*

*If you are the beneficial owner, but not the holder of record, of shares of CB&I Common Stock and fail to provide voting instructions, your broker or other holder of record may not vote on the proposals and no votes will be cast on your behalf with respect to those matters.*

Failures to vote by CB&I shareholders that attend the CB&I Special General Meeting in person or by proxy, failures to vote by CB&I shareholders that do not attend the CB&I Special General Meeting in person or by proxy, abstentions and broker non-votes are not considered votes cast and therefore will have no effect on the outcome of the proposals; provided, that if the Articles Amendment Resolution is not adopted at the CB&I Special General Meeting and there is a person that alone or together with a group (beneficially) holds more than fifteen percent (15%) of the issued and outstanding share capital of CB&I at the time of the CB&I Special General Meeting, failures to vote by CB&I shareholders, whether or not they attend the CB&I Special General Meeting in person or by proxy, abstentions and broker non-votes will have the same effect as votes AGAINST the adoption of the Merger Resolution.

**Q: Who pays the cost of the proxy solicitation for the CB&I Special General Meeting?**

A: CB&I will pay the cost of solicitation of proxies for the CB&I Special General Meeting, including preparing, printing and mailing this joint proxy statement/prospectus. CB&I has retained Innisfree M&A Incorporated to help in soliciting proxies for a fee not to exceed \$[ ], plus reimbursement for out-of-pocket expenses.

**Q: Who may attend the CB&I Special General Meeting?**

A: Admittance of shareholders and acceptance of written voting proxies shall be governed by Dutch law. Only shareholders registered in the CB&I Share Register as of the record date, or such shareholders proxies, who have requested that the holder of the CB&I Share Register (either the CB&I Management Board or Computershare Trust Company, N.A.) notify CB&I by [ ], 2018 of his or her or his or her proxy s intention to attend the CB&I Special General Meeting, may attend the CB&I Special General Meeting. The notice must state the name and number of shares the person will represent at the CB&I Special General Meeting. All attendees must be prepared to identify themselves with a valid proof of identity for admittance.

If you are not a shareholder of record registered in the CB&I Share Register, a usufructuary to whom voting rights accrue or pledgee to whom voting rights accrue, you may not attend the CB&I Special General Meeting without the invitation of the chairman of the CB&I Supervisory Board.

If you are the beneficial owner of shares, but not the holder of record, you should refer to the instructions provided by your broker or nominee for further information.

No guests will be admitted, except for guests invited by CB&I.

Registration will begin at [ ] a.m. local time, and the CB&I Special General Meeting will begin promptly at [ ] a.m. local time. Please note that you may be asked to present valid government-issued photo identification, such as a valid driver's license or passport, when you check in for registration. No cameras, recording equipment or other electronic devices will be allowed to be brought into the meeting room by attendees.

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**Q: What do I do if I receive more than one set of voting materials?**

A: You may receive more than one set of voting materials for the CB&I Special General Meeting, including multiple copies of this joint proxy statement/prospectus, proxy cards and/or voting instruction forms. This can occur if your shares are held through more than one account (*e.g.*, through different brokers or nominees), if you hold shares directly as a record holder and also in street name, or otherwise through a nominee, and in certain other circumstances. Each proxy card or voting instruction form only covers those shares of CB&I Common Stock held in the applicable account. If you receive more than one set of voting materials, each should be voted and/or returned separately in order to ensure that all of your shares are voted.

**Q: Who is the inspector of the election?**

A: A representative of Broadridge Financial Solutions, Inc. will serve as the inspector of election for the CB&I Special General Meeting.

**Q: Where can I find the voting results of the CB&I Special General Meeting?**

A: The preliminary voting results will be announced at the CB&I Special General Meeting. In addition, within four business days following certification of the final voting results, CB&I intends to file the final voting results with the SEC on a Current Report on Form 8-K.

**Q: What do I need to do now?**

A: Carefully read and consider the information contained in and incorporated by reference into this joint proxy statement/prospectus, including its annexes. Then, please vote your shares of CB&I Common Stock, which you may do by:

completing, dating, signing and returning the enclosed proxy card in the accompanying postage-paid envelope;

submitting your proxy by telephone or via the Internet by following the instructions included on your proxy card; or

attending the CB&I Special General Meeting and voting by ballot in person (subject to complying with the notification procedures necessary for attendance).

If your shares are held in the name of a bank, broker, trust company or other nominee, please instruct your nominee to vote your shares by following the instructions you receive from your nominee.



**Q: Whom should I call with questions?**

A: McDermott stockholders or CB&I shareholders who have questions about the Combination or the other matters to be voted on at the special meeting or special general meeting or desire additional copies of this document or additional proxy cards should contact:

**if you are a McDermott stockholder:**

**MacKenzie Partners, Inc.  
105 Madison Avenue  
New York, New York 10016  
Toll-free: (800) 322-2885  
Collect: (212) 929-5500**

**if you are a CB&I shareholder:**

**Innisfree M&A Incorporated  
501 Madison Avenue  
New York, New York 10022  
Toll-free: (877) 825-8971  
Collect: (212) 750-5833**

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**SUMMARY**

*This summary highlights selected information contained in this document and may not contain all of the information that is important to you. McDermott and CB&I urge you to read this entire document carefully, including its annexes and the other documents referred to herein. A copy of the Business Combination Agreement, as amended, is attached as Annex A-1 and Annex A-2 to this document and is incorporated by reference herein. See *Where You Can Find More Information* beginning on page 215 of this document. McDermott and CB&I have included in this summary references to other portions of this document to direct you to a more complete description of the topics presented, which you should review carefully in their entirety.*

**Information About the Companies**

***McDermott International, Inc. (see page 177)***

McDermott International, Inc., which we refer to as McDermott, a corporation incorporated under the laws of the Republic of Panama in 1959, is a leading provider of integrated engineering, procurement, construction and installation, front-end engineering and design and module fabrication services for upstream field developments worldwide.

McDermott's common stock, par value \$1.00 per share ( McDermott Common Stock ) is listed on the New York Stock Exchange ( NYSE ) under the trading symbol MDR. McDermott's principal executive offices are located at 4424 West Sam Houston Parkway North, Houston, Texas 77041, and its telephone number at that location is (281) 870-5000.

***Chicago Bridge & Iron Company N.V. (see page 178)***

Founded in 1889, Chicago Bridge & Iron Company N.V., which we refer to as CB&I, provides a wide range of services, including conceptual design, technology, engineering, procurement, fabrication, modularization, construction and services to customers in the energy infrastructure market throughout the world.

CB&I's common stock, par value EUR 0.01 per share ( CB&I Common Stock ) is listed on the NYSE under the trading symbol CBI. CB&I's principal executive offices are located at Prinses Beatrixlaan 35, 2595 AK, The Hague, The Netherlands and its telephone number at that location is 011-31-70-373-2010. CB&I's administrative headquarters are located at One CB&I Plaza, 2103 Research Forest Drive, The Woodlands, TX 77380, USA and its telephone number at that location is (832) 513-1000.

***McDermott Technology, B.V.***

McDermott Technology, B.V., which we refer to as McDermott Bidco, is a company incorporated under the laws of the Netherlands and a direct wholly owned subsidiary of McDermott that was formed on December 14, 2017, solely for the purpose of effecting the Combination. To date, McDermott Bidco has not conducted any material activities other than those incidental to its formation and the matters contemplated by the Business Combination Agreement, dated as of December 18, 2017, by and among McDermott, CB&I and the other parties thereto (as it may be amended or supplemented from time to time, the Business Combination Agreement ).

***Comet I B.V. (see page 178)***

Comet I B.V., which we refer to as CB&I Newco, is a company incorporated under the laws of the Netherlands and a direct wholly owned subsidiary of CB&I that was formed on December 12, 2017, solely for the purpose of effecting

the Combination. To date, CB&I Newco has not conducted any material activities other than those incidental to its formation and the matters contemplated by the Business Combination Agreement. On December 13, 2017, CB&I Newco formed Comet II B.V. to facilitate the Combination.

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### *Comet II B.V.*

Comet II B.V., which we refer to as CB&I Newco Sub, is a company incorporated under the laws of the Netherlands and a direct wholly owned subsidiary of CB&I Newco that was formed on December 13, 2017, solely for the purpose of effecting the Combination. To date, CB&I Newco Sub has not conducted any material activities other than those incidental to its formation and the matters contemplated by the Business Combination Agreement.

### **The Combination (see page 56)**

Pursuant to the Business Combination Agreement, McDermott and CB&I have agreed to combine their businesses through a series of transactions (and subject to the terms and conditions of the Business Combination Agreement) that we refer to as the Core Transactions, preceded by the Exchange Offer (the Core Transactions, together with the Exchange Offer, the Combination). The Business Combination Agreement is more fully described in the section The Business Combination Agreement and a copy of the Business Combination Agreement, as amended, is attached as Annex A-1 and Annex A-2 to this document. **You should read the entire Business Combination Agreement carefully in its entirety before making any decisions regarding the Combination because it is the legal document that governs the relationship between McDermott and CB&I with respect to the Combination.**

On the terms and subject to the conditions of the Business Combination Agreement, the Combination will occur as follows:

McDermott Bidco will launch an offer to exchange any and all issued and outstanding shares of CB&I Common Stock for shares of McDermott Common Stock (the Exchange Offer), with the completion of the Exchange Offer to occur prior to the Merger Effective Time (as defined herein);

Certain subsidiaries of McDermott, namely McDermott Technology (2), B.V., McDermott Technology (3), B.V., McDermott Technology (Americas), LLC and McDermott Technology (US), LLC, will complete the CB&I Technology Acquisition, pursuant to which they will acquire for cash the equity of certain CB&I subsidiaries that own CB&I's technology business (the CB&I Technology Acquisition) no later than immediately prior to the time at which McDermott Bidco accepts all shares of CB&I Common Stock validly tendered and not properly withdrawn in the Exchange Offer (the Exchange Offer Effective Time);

McDermott Bidco will complete the Exchange Offer;

CB&I will merge with and into CB&I Newco Sub, with: (1) CB&I Newco Sub continuing as a wholly owned subsidiary of CB&I Newco; (2) CB&I shareholders that do not validly tender in (or who properly withdraw their shares of CB&I Common Stock from) the Exchange Offer becoming shareholders of CB&I Newco as a result of their shares being exchanged for shares of CB&I Newco; and (3) McDermott Bidco becoming a shareholder of CB&I Newco as a result of any shares it will have accepted for exchange in the Exchange Offer being exchanged for shares of CB&I Newco (the Merger);

CB&I Newco Sub will become an indirect subsidiary of McDermott through the sale of all of the outstanding shares in the capital of CB&I Newco Sub to McDermott Bidco in exchange for the Exchangeable Note (as defined herein) (the "Share Sale"); and

CB&I Newco will be dissolved and liquidated (the "Liquidation"), and as a result of which former CB&I shareholders who do not validly tender in (or who properly withdraw their shares of CB&I Common Stock from) the Exchange Offer and, as a result of the Merger, become CB&I Newco shareholders, will be entitled to receive, in respect of each former share of CB&I Common Stock upon

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completion of the Liquidation, 2.47221 shares of McDermott Common Stock, or, if the McDermott Reverse Stock Split (as defined herein) has occurred prior to the date on which the Exchange Offer Effective Time occurs, 0.82407 shares of McDermott Common Stock (as applicable, the Exchange Offer Ratio ), together with cash in lieu of fractional shares. The consideration per share of CB&I Common Stock to be received pursuant to the Core Transactions is the same as the Exchange Offer Ratio, except that the receipt of shares of McDermott Common Stock and cash in lieu of fractional shares pursuant to the Liquidation generally will be subject to Dutch dividend withholding tax under the Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*) to the extent the Liquidation Distribution (as defined herein) exceeds the average paid-in capital recognized for Dutch dividend withholding tax purposes of the shares of CB&I Newco Common Stock (as defined below) (the Dutch Dividend Withholding Tax ).

The Core Transactions consist of the CB&I Technology Acquisition, the Merger, the Share Sale and the Liquidation. The Combination consists of the Exchange Offer and the Core Transactions. Each step of the Combination is intended to be completed substantially concurrently, provided that the Liquidation Distribution will occur on the date of consummation of the Combination (the Closing Date ) or as soon as practicable thereafter.

Below is a description of each of these steps in the Combination.

**Step 1 *CB&I Technology Acquisition (see page 128)***

In the CB&I Technology Acquisition, McDermott Technology (2), B.V. and McDermott Technology (3), B.V. intend to acquire, for cash, no later than immediately prior to the Exchange Offer Effective Time, certain subsidiaries of CB&I (as specified in the Business Combination Agreement), and each of McDermott Technology (Americas), LLC and McDermott Technology (US), LLC intends to acquire for cash 50% of certain subsidiaries of CB&I (as specified in the Business Combination Agreement). Together, these acquired entities operate CB&I's technology business (primarily consisting of CB&I's former Technology reportable segment and its Engineered Products Operations, representing a portion of its Fabrication Services reportable segment). The cash proceeds to be paid by such McDermott entities pursuant to the CB&I Technology Acquisition in the aggregate amount of \$2.65 billion will be used to fund the repayment of all the outstanding funded indebtedness of CB&I and its subsidiaries and to provide for future working capital needs of those entities (or their successors).

**Step 2 *The Exchange Offer (see page 128)***

In the Exchange Offer, CB&I shareholders will be offered to exchange each of their issued and outstanding shares of CB&I Common Stock for 2.47221 shares of McDermott Common Stock or, if the McDermott Reverse Stock Split has occurred prior to the Exchange Offer Effective Time, 0.82407 shares of McDermott Common Stock.

If all of the shares of CB&I Common Stock outstanding as of March [ ], 2018 were exchanged in the Exchange Offer, the aggregate number of shares of McDermott Common Stock issued to the CB&I shareholders will equal approximately 47% of the shares of McDermott Common Stock outstanding at the completion of the Combination.

***Commencement and Expiration of the Exchange Offer***

McDermott Bidco will commence the Exchange Offer promptly. The Exchange Offer will expire at 4:00 p.m., Eastern time, which we sometimes refer to as New York City time, on the date that is 21 business days following the date that the Exchange Offer is commenced, subject to extension as described below (such time, or such later time to which the Exchange Offer has been so extended, is referred to as the Exchange Offer Expiration Time ).



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**Table of Contents***Conditions to the Exchange Offer as Part of the Combination*

The Exchange Offer, as part of the Combination, is subject to the satisfaction or, where permissible, waiver of certain conditions described in the section *The Business Combination Agreement The Exchange Offer Conditions to the Combination*.

*Acceptance of Shares of CB&I Common Stock in the Exchange Offer*

The obligation of McDermott Bidco to accept for exchange, and the obligation of McDermott to issue shares of McDermott Common Stock to McDermott Bidco to offer in exchange for, any shares of CB&I Common Stock validly tendered and not properly withdrawn pursuant to the Exchange Offer will be subject only to the satisfaction (or waiver) of the closing conditions set forth above under the heading *Conditions to the Exchange Offer as Part of the Combination*. If McDermott Bidco accepts shares of CB&I Common Stock in the Exchange Offer in accordance with the terms of the Business Combination Agreement, then the McDermott entities that are parties to the Business Combination Agreement (the *McDermott Parties* ) and the CB&I entities that are parties to the Business Combination Agreement (the *CB&I Parties* ) will complete the actions contemplated by the Business Combination Agreement with respect to the Core Transactions on the Closing Date, provided that the Liquidation Distribution will occur on the Closing Date or as soon as practicable thereafter.

*Extension of the Exchange Offer*

McDermott Bidco may extend the Exchange Offer to such other date and time as may be agreed in writing by McDermott and CB&I, and McDermott Bidco will extend the Exchange Offer for any minimum period as may be required by the SEC (including, without limitation, for any five-day extension period or longer period required under Rule 14d-4 or Rule 14e-1 under the Exchange Act) or the NYSE. McDermott Bidco will also extend the Exchange Offer on one or more occasions if, at the then-scheduled Exchange Offer Expiration Time, any condition to the Exchange Offer has not been satisfied or waived. McDermott Bidco is not required to extend the Exchange Offer beyond the Termination Date (as defined herein).

**Step 3 *The Merger (see page 129)***

Promptly following the Exchange Offer Effective Time, CB&I, as the disappearing company, will merge with and into CB&I Newco Sub in a legal triangular merger (*juridische driehoeksfusie*), resulting in each holder of outstanding shares of CB&I Common Stock holding a number of shares in the capital of CB&I Newco equal to the number of shares of CB&I Common Stock held by such holder of shares of CB&I Common Stock (the *Merger Consideration* ) immediately prior to the completion of the Merger. The Merger is discussed in more detail in the section *The Business Combination Agreement The Merger*.

CB&I, CB&I Newco and CB&I Newco Sub will effectuate the Merger promptly following the Exchange Offer Effective Time, in order to ensure that the Merger becomes effective at midnight Amsterdam time (being either 6:00 p.m., New York City time, or 7:00 p.m., New York City time), on the date the Exchange Offer Effective Time occurs. We refer to the effective time of the Merger as the *Merger Effective Time*.

**Step 4 *The Share Sale (see page 129)***

Immediately following the Merger Effective Time, CB&I Newco will transfer all of the issued and outstanding shares in the capital of CB&I Newco Sub (the surviving entity in the Merger) to McDermott Bidco in exchange for an exchangeable note issued by McDermott Bidco (the *Exchangeable Note* ) (which will be mandatorily exchangeable for



shares of McDermott Common Stock other than to the extent any portion of the Exchangeable

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Note is distributed to McDermott Bidco or any other controlled affiliate of McDermott). In connection therewith, immediately following the Merger Effective Time, McDermott Bidco, CB&I Newco and CB&I Newco Sub will enter into a notarial deed of transfer of shares pursuant to which all issued and outstanding shares in the capital of CB&I Newco Sub will be transferred by CB&I Newco to McDermott Bidco or its designated nominee at such time and such transfer will be acknowledged by CB&I Newco Sub. We refer to the effective time of such execution and acknowledgement as the Share Sale Effective Time.

**Step 5 *Pre-Liquidation Transactions (see page 130)****Exchangeable Note Split*

Pursuant to the terms of the Exchangeable Note, immediately following the Share Sale Effective Time, the Exchangeable Note will automatically be split into two notes, one of which will be the McDermott Component Note and the other of which will be the Legacy CB&I Component Note (the Exchangeable Note Split). The McDermott Component Note will entitle the holder(s) thereof to receive a number of shares of McDermott Common Stock equal to the product of the Exchangeable Note principal amount multiplied by the percentage of outstanding shares of the common stock of CB&I Newco (CB&I Newco Common Stock) owned at such time by McDermott and its subsidiaries (other than CB&I Newco). The Legacy CB&I Component Note will entitle the holder(s) thereof to receive a number of shares of McDermott Common Stock equal to the product of the Exchangeable Note principal amount multiplied by the percentage of outstanding shares of CB&I Newco Common Stock owned at such time by persons that are not affiliates of McDermott (CB&I Newco Public Shareholders). As soon as McDermott or any of its subsidiaries (other than CB&I Newco) becomes the holder of the McDermott Component Note, the McDermott Component Note will immediately terminate and any rights thereunder will be extinguished and no longer due.

*Deposit and Exchange*

Immediately following the Exchangeable Note Split, CB&I Newco will deposit the Legacy CB&I Component Note with Computershare Trust Company, N.A., which is acting as the exchange agent in connection with the Exchange Offer, the Merger and the Liquidation (the Exchange Agent). Upon receipt by the Exchange Agent, the Legacy CB&I Component Note will automatically and mandatorily be exchanged into a number of shares of McDermott Common Stock equal to the product of the Exchange Offer Ratio and the number of shares of CB&I Newco owned at such time by the CB&I Newco Public Shareholders (the Mandatory Exchange). Prior to the execution of the Exchangeable Note, McDermott will have deposited with the Exchange Agent a number of shares of McDermott Common Stock sufficient to permit the completion of the Mandatory Exchange. The number of shares of McDermott Common Stock required to be issued in the Mandatory Exchange will be rounded up to the nearest whole share. Upon completion of the Mandatory Exchange, the Legacy CB&I Component Note will be deemed fully paid and the indebtedness represented by the Exchangeable Note will be deemed fully satisfied.

*McDermott Common Stock Sale to Satisfy Dutch Dividend Withholding Tax Obligations*

Pursuant to the terms of the Exchangeable Note, CB&I Newco will cause the Exchange Agent to sell (the McDermott Common Stock Sale), in one or more transactions for the benefit of the CB&I Newco Public Shareholders, shares of McDermott Common Stock that the CB&I Newco Public Shareholders would otherwise be entitled to receive in order to obtain sufficient net cash proceeds to satisfy the Dutch Dividend Withholding Tax in connection with the Liquidation Distribution (as defined herein). In the event that the cash proceeds obtained by the Exchange Agent in the McDermott Common Stock Sale exceed the required applicable withholding by more than a *de minimis* amount, those surplus cash proceeds will be distributed, net of applicable Dutch Dividend Withholding Tax, to the CB&I Newco Public Shareholders on a pro rata basis, along with any cash payable in lieu of fractional shares. McDermott

will be entitled to retain any *de minimis* surplus cash proceeds.

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**Step 6 *The Liquidation (see page 131)***

As soon as practicable after the Share Sale Effective Time, CB&I Newco will be dissolved and subsequently liquidated, making one or more liquidating distributions such that each holder of shares of CB&I Common Stock not validly tendered in (or properly withdrawn from) the Exchange Offer will receive, as a liquidation distribution, shares of McDermott Common Stock for each such share (together, the Liquidation Distribution ) as follows:

each CB&I Newco Public Shareholder will receive a number of shares of McDermott Common Stock equal to (1) the product of (a) the Exchange Offer Ratio and (b) the number of shares of CB&I Newco held by such shareholder at such time (with cash paid in lieu of any fractional shares of McDermott Common Stock as described below) minus (2) the number of shares of McDermott Common Stock sold pursuant to the McDermott Common Stock Sale, if any, in respect of any applicable Dutch Dividend Withholding Tax of such CB&I Newco Public Shareholder; and

McDermott Bidco and any other shareholder that is a subsidiary of McDermott (other than CB&I Newco) will receive a portion of the McDermott Component Note, which will immediately terminate upon receipt, with any rights thereunder extinguished and no longer due.

In connection with the Liquidation Distribution, the Exchange Agent will pay to the relevant Dutch tax authority the net cash proceeds from the McDermott Common Stock Sale in satisfaction of CB&I Newco's obligation to remit Dutch Dividend Withholding Tax in respect of the Liquidation Distribution.

**Non-tendering CB&I shareholders who receive shares of McDermott Common Stock pursuant to the Liquidation Distribution rather than the Exchange Offer generally will be subject to Dutch Dividend Withholding Tax. See Material Tax Consequences of the Combination.**

Once the final Liquidation Distribution has occurred, CB&I Newco will cease to exist by operation of law.

**The McDermott Special Meeting (see page 38)**

***Meeting (see page 38)***

The McDermott Special Meeting is scheduled to be held on [ ], 2018, at [ ] [a./p.]m., [ ] Time, at [ ]. At the McDermott Special Meeting, McDermott stockholders will be asked to vote on:

a proposed resolution providing for an amendment to the McDermott amended and restated articles of incorporation (the McDermott Articles ) (1) to effect a 3-to-1 reverse stock split of the McDermott Common Stock and (2) to decrease the authorized shares of McDermott Common Stock to 255,000,000 shares (the McDermott Reverse Stock Split Articles Amendment Resolution );

a proposed resolution providing for an amendment to the McDermott Articles to increase the authorized shares of McDermott Common Stock to 765,000,000 shares (the McDermott Authorized Capital Articles Amendment Resolution ); provided that, if adopted, the McDermott Authorized Capital Articles Amendment

Resolution will only become effective if the McDermott Reverse Stock Split Articles Amendment Resolution is not adopted at the McDermott Special Meeting;

a proposal to issue shares of McDermott Common Stock in connection with the Exchange Offer and the Core Transactions, including the issuance pursuant to the Exchangeable Note (the McDermott Stock Issuance ); and

a proposal to approve the adjournment of the McDermott Special Meeting, if necessary, to solicit additional proxies if there are not sufficient votes to approve the McDermott Stock Issuance and either the McDermott Reverse Stock Split Articles Amendment Resolution or the McDermott Authorized Capital Articles Amendment Resolution (the McDermott Meeting Adjournment ).

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The McDermott Reverse Stock Split Articles Amendment Resolution, the McDermott Authorized Capital Articles Amendment Resolution, McDermott Stock Issuance proposal and the McDermott Meeting Adjournment proposal are collectively referred to in this document as the McDermott Stockholder Proposals. The approvals of the McDermott Stock Issuance proposal and either the McDermott Reverse Stock Split Articles Amendment Resolution or the McDermott Authorized Capital Articles Amendment Resolution are collectively referred to in this document as the McDermott Stockholder Approval.

***Record Date; Stockholders Entitled to Vote (see page 38)***

The McDermott Board of Directors (the McDermott Board ) established [ ], 2018 (the McDermott Record Date ) as the record date for determining stockholders entitled to vote at the McDermott Special Meeting. This means that, if you were a stockholder of record (meaning that you were registered with McDermott's transfer agent and registrar, Computershare Trust Company, N.A.) on the McDermott Record Date, you may vote your shares on the matters to be considered by McDermott's stockholders at the McDermott Special Meeting. If your shares were held in street name on that date, the broker or other nominee that was the record holder of your shares has the authority to vote them at the McDermott Special Meeting. They have forwarded to you this joint proxy statement/prospectus seeking your instructions on how you want your shares voted.

As of the close of business on the McDermott Record Date, [ ] shares of McDermott Common Stock were outstanding. Each outstanding share of McDermott Common Stock entitles its holder to one vote on each matter to be acted on at the meeting.

As of the close of business on March 1, 2018, the most recent practicable date prior to the date of this joint proxy statement/prospectus, less than 1.5% of the outstanding shares of McDermott Common Stock were held by McDermott directors and executive officers and their affiliates. McDermott's directors and executive officers other than Stephen G. Hanks, who collectively own less than 1.5% of the outstanding shares of McDermott Common Stock, have informed McDermott that they intend, as of the date hereof, to vote their shares in favor of all of the proposals set forth above, although none has entered into any agreements obligating them to do so.

***Required Vote (see page 39)***

The affirmative vote of the holders of a majority of the shares of McDermott Common Stock outstanding and entitled to vote at the McDermott Special Meeting (meaning that, of the shares of McDermott Common Stock outstanding, excluding treasury shares, a majority must be voted FOR the proposal) is required to approve the McDermott Reverse Stock Split Articles Amendment Resolution and the McDermott Authorized Capital Articles Amendment Resolution. The affirmative vote of the holders of a majority of the votes cast on the matter by holders of shares of McDermott Common Stock present in person or represented by proxy at the McDermott Special Meeting (meaning the number of shares voted FOR the proposal must exceed the number of shares voted AGAINST the proposal plus abstentions) is required to approve the McDermott Stock Issuance proposal. The affirmative vote of the holders of a majority of the shares of McDermott Common Stock present in person or represented by proxy at the meeting, whether or not a quorum is present, is required to approve the McDermott Meeting Adjournment proposal.

Failures to vote, abstentions and broker non-votes will have the same effect as votes AGAINST the adoption of the McDermott Reverse Stock Split Articles Amendment Resolution and the adoption of the McDermott Authorized Capital Articles Amendment Resolution. Because failures to vote and broker non-votes are not actual votes cast (assuming that a quorum is present), they will have no effect on the outcome of the vote on the McDermott Stock Issuance proposal. However, under applicable rules of the NYSE, an abstention will have the same effect as a vote AGAINST the McDermott Stock Issuance proposal. Failures to vote by McDermott stockholders that attend the

McDermott Special Meeting in person, abstentions and broker non-votes will have

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the same effect as votes AGAINST the McDermott Meeting Adjournment proposal. Failures to vote by McDermott stockholders not attending the McDermott Special Meeting, in person or by proxy, will have no effect on the McDermott Meeting Adjournment proposal, whether or not a quorum is present.

The Combination cannot be completed unless the McDermott stockholders approve the McDermott Stock Issuance and either the McDermott Reverse Stock Split Amendment Resolution or the McDermott Authorized Capital Articles Amendment Resolution.

***Recommendation of the McDermott Board (see page 38)***

**The McDermott Board has approved, and, by a vote of eight to one, recommends that you vote FOR, the McDermott Reverse Stock Split Articles Amendment Resolution, the McDermott Authorized Capital Articles Amendment Resolution, the McDermott Stock Issuance proposal and the McDermott Meeting Adjournment proposal.** For McDermott's reasons for these recommendations, see The Combination McDermott's Reasons for the Combination; Recommendation of the McDermott Board.

**The CB&I Special General Meeting (see page 49)**

***Meeting (see page 49)***

The CB&I Special General Meeting is scheduled to be held on [ ], 2018, at [ ] [a./p.]m., [ ] Time, at [ ]. At the CB&I Special General Meeting, CB&I shareholders will be asked to vote on:

a resolution providing for an amendment to CB&I's amended and restated articles of association as set forth in Annex G attached hereto to remove the supermajority voting requirement for certain resolutions when any person, alone or together with a group, holds more than fifteen percent (15%) of the outstanding share capital of CB&I (the Articles Amendment Resolution ).

a resolution to enter into and effectuate the Merger in accordance with the Merger Proposal (as defined in the Business Combination Agreement) (the Merger Resolution ).

(a) a resolution to approve the acquisition by certain subsidiaries of McDermott of the equity of certain CB&I subsidiaries that own CB&I's technology business for cash (to the extent required by law), and (b) a resolution to approve the sale by Comet I B.V., a direct wholly owned subsidiary of CB&I, of all of the issued and outstanding shares in the capital of Comet II B.V. to McDermott Technology, B.V., a wholly owned subsidiary of McDermott (or its designee) (together, the Sale Resolutions ).

a resolution to, effective as of the Share Sale Effective Time, (a) approve the dissolution of Comet I B.V., (b) approve the appointment of Stichting Vereffening Chicago Bridge & Iron Company as liquidator of Comet I B.V. and (c) approve the appointment of (an affiliate of) McDermott Technology, B.V. as the custodian of the books and records of Comet I B.V. in accordance with Section 2:24 of the Dutch Civil Code (the Liquidation Resolutions ).



a resolution to, effective as of the Exchange Offer Effective Time, grant full and final discharge to each member of the CB&I Supervisory Board and the CB&I Management Board (together, the CB&I Boards ) for his or her acts of supervision or management, as applicable, up to the date of the CB&I Special General Meeting (the Discharge Resolutions ).

a proposal to approve, by non-binding advisory vote, the compensation that may become or has become payable to CB&I s named executive officers in connection with the Combination (the Compensation Resolution ).

The Articles Amendment Resolution, the Merger Resolution, the Sale Resolutions, the Liquidation Resolutions, the Discharge Resolutions and the Compensation Resolution are collectively referred to in this document as the

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CB&I Shareholder Proposals. The approvals of the Merger Resolution, the Sale Resolutions, the Liquidation Resolutions and the Discharge Resolutions are collectively referred to in this document as the CB&I Shareholder Approval.

### ***Record Date; Shareholders Entitled to Vote (see page 49)***

The CB&I Management Board established [ ], 2018 (the CB&I Record Date ) as the record date for determining shareholders entitled to vote at the CB&I Special General Meeting. This means that if you were a shareholder of record (meaning that you were registered in the CB&I share register as referred to in section 2:85 of the Dutch Civil Code, part of which is kept by Computershare Trust Company, N.A. on behalf of CB&I (the CB&I Share Register )) on the CB&I Record Date, you may vote your shares on the matters to be considered by CB&I s shareholders at the CB&I Special General Meeting, even if you already tendered your shares in the Exchange Offer. If your shares were held in street name on that date, the broker or other nominee that was the record holder of your shares has the authority to vote them at the CB&I Special General Meeting. They have forwarded to you this joint proxy statement/prospectus seeking your instructions on how you want your shares voted.

As of the close of business on the CB&I Record Date, [ ] shares of CB&I Common Stock were outstanding. Each outstanding share of CB&I Common Stock entitles its holder to one vote on each matter to be acted on at the meeting.

As of the close of business on March 1, 2018, the most recent practicable date prior to the date of this joint proxy statement/prospectus, less than 1% of the outstanding shares of CB&I Common Stock were held by CB&I directors and executive officers and their affiliates. CB&I s directors and executive officers have informed CB&I that they intend, as of the date hereof, to vote their shares in favor of all of the proposals set forth above, although none has entered into any agreements obligating them to do so.

### ***Required Vote (see page 50)***

The affirmative vote of a majority of the votes cast on the matter by holders of shares of CB&I Common Stock outstanding and entitled to vote at the CB&I Special General Meeting (meaning the number of shares voted FOR the proposal must exceed the number of shares voted AGAINST the proposal) is required to approve the Articles Amendment Resolution, the Sale Resolutions, the Liquidation Resolutions, the Discharge Resolutions and the Compensation Resolution at the CB&I Special General Meeting.

Assuming the Articles Amendment Resolution is adopted and implemented and so long as at least fifty percent (50%) of the issued and outstanding CB&I share capital is present at the CB&I Special General Meeting, in person or by proxy, the affirmative vote of at least a majority of the votes cast on the matter by holders of shares of CB&I Common Stock outstanding and entitled to vote at the CB&I Special General Meeting (meaning the number of shares voted FOR the proposal must exceed the number of shares voted AGAINST the proposal) is required to approve the Merger Resolution. If less than fifty percent (50%) of the issued and outstanding CB&I share capital is present at the CB&I Special General Meeting, in person or by proxy, the affirmative vote of two-thirds of the votes cast on the matter by holders of shares of CB&I Common Stock outstanding and entitled to vote at the CB&I Special General Meeting is required to approve the Merger Resolution.

However, if the Articles Amendment Resolution is not adopted at the CB&I Special General Meeting and there is a person that alone or together with a group (beneficially) holds more than fifteen percent (15%) of the issued and outstanding share capital of CB&I, the affirmative vote of at least eighty percent (80%) of the shares of CB&I Common Stock outstanding is required to approve the Merger Resolution. In such case, failures to vote by CB&I shareholders, whether or not they attend the CB&I Special General Meeting in person or by proxy,



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abstentions and broker non-votes will have the same effect as votes AGAINST the adoption of the Merger Resolution.

The Combination cannot be completed unless the CB&I shareholders approve the Merger Resolution, the Sale Resolutions (to the extent required by applicable law), the Liquidation Resolutions and the Discharge Resolutions.

### *Recommendation of the CB&I Boards (see page 49)*

**The CB&I Boards have approved, and recommend that CB&I shareholders vote FOR, the Articles Amendment Resolution, the Merger Resolution, the Sale Resolutions, the Liquidation Resolutions, the Discharge Resolutions and the Compensation Resolution and accept the Exchange Offer.** For CB&I's reasons for these recommendations, see The Combination CB&I's Reasons for the Combination; Recommendation of the CB&I Boards.

### **Regulatory Approvals Related to the Combination (see page 10)**

The Combination was subject to review by the Federal Trade Commission (the FTC) or the Antitrust Division of the U.S. Department of Justice, (the Antitrust Division), under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act). Under the HSR Act, McDermott and CB&I were required to make premerger notification filings and to await the expiration or early termination of the statutory waiting period prior to completing the Combination. On January 9, 2018, McDermott and CB&I each filed a Premerger Notification and Report Form with the Antitrust Division and the FTC pursuant to the HSR Act. On January 24, 2018, the Premerger Notification Office of the FTC advised McDermott and CB&I that early termination of the HSR Act waiting period had been granted.

The Russian Law on Protection of Competition requires an application for the consent of the Federal Antimonopoly Service of the Russian Federation in connection with the Combination. Once all required documents and information have been provided, there is a 30 calendar-day initial (phase I) investigation period. At its discretion, the Federal Antimonopoly Service may extend the review period by up to two months for an in-depth (phase II) investigation. McDermott filed an application for the consent of the Russian Federal Antimonopoly Service on February 5, 2018.

Under the terms of the Business Combination Agreement, McDermott and CB&I have agreed to use (and cause their respective subsidiaries to use) their reasonable best efforts to take, or cause to be taken, all actions, and do promptly, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable under applicable laws to consummate and make effective the Combination and the other transactions contemplated by the Business Combination Agreement as promptly as practicable, including actions to obtain any necessary or advisable consents or approvals from third parties or governmental authorities. The McDermott Parties have also agreed to take all such action as may be necessary to resolve such objections, if any, that any governmental antitrust entity may assert under applicable antitrust law with respect to the transactions contemplated by the Business Combination Agreement, and to avoid or eliminate, and minimize the impact of, each impediment under antitrust law that may be asserted by any governmental antitrust entity with respect to the Combination to enable the Combination to occur as soon as reasonably possible, and in no event later than June 18, 2018, or a later date if the Termination Date (as defined below) has been extended. However, the Business Combination Agreement does not require any party to take any action with respect to any of the assets, businesses or product lines of McDermott, CB&I or any of their subsidiaries if such action, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect (as defined in the Business Combination Agreement) on the business, assets, results of operations or financial condition of McDermott, CB&I and their subsidiaries, taken as a whole. If requested by McDermott, CB&I will agree to take any action



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necessary to facilitate the closing of the Combination, provided that the consummation of any divestiture or the effectiveness of any other remedy is conditioned on the consummation of the Combination. McDermott also has the obligation to defend any lawsuits or other legal proceedings, whether judicial or administrative, challenging the Combination or the consummation of the transactions contemplated by the Business Combination Agreement.

If the Combination has not occurred on or before the Termination Date due to the failure to obtain regulatory clearances, or if an order, decree or ruling in the United States, the Republic of Panama, Russia or the Netherlands permanently prohibits the Exchange Offer or any of the Core Transactions, the Business Combination Agreement may be terminated.

See [The Business Combination Agreement Filings](#) for more information.

## **Post-Combination Governance and Management (see page 11)**

At the closing of the Combination, the McDermott Board will have 11 members, including (1) six persons who are current members of the McDermott Board, two of which will be Gary Luquette, the Chairman of the McDermott Board, and David Dickson, the President and Chief Executive Officer of McDermott, and (2) five persons who are current members of the CB&I Supervisory Board. Gary Luquette will continue as the Non-Executive Chair of the McDermott Board. David Dickson will continue as the President and Chief Executive Officer of McDermott and Stuart Spence will continue as the Executive Vice President and Chief Financial Officer of McDermott. Patrick Mullen, President and Chief Executive Officer of CB&I, will remain with the combined business for a transition period.

## **Appraisal Rights (see page 11)**

Neither CB&I shareholders nor CB&I Newco shareholders are entitled under Dutch law or otherwise to appraisal or dissenters' rights related to the CB&I Common Stock or CB&I Newco Common Stock in connection with the Exchange Offer or the Core Transactions.

McDermott stockholders are not entitled to appraisal or dissenters' rights with respect to any of the matters to be considered and voted on at the McDermott Special Meeting.

## **Interests of Certain Persons in the Combination (see page 11)**

### ***McDermott International, Inc. (see page 112)***

In considering the recommendation of the McDermott Board to vote in favor of the proposals on the agenda at the McDermott Special Meeting, McDermott stockholders should be aware that McDermott's executive officers and directors have certain interests in the Combination that may be different from, in addition to, or in conflict with, the interests of the McDermott stockholders generally. These interests include, but are not limited to, the fact that such executive officers are party to change-in-control agreements that provide severance benefits to such executive officers in the event their employment is terminated within one year following the closing of the Combination by McDermott for reasons other than cause or by the executive with good reason, as such terms are defined in the change-in-control agreements. Holders of shares of McDermott Common Stock should also be aware that certain of the executive officers and directors of McDermott will continue serving as executive officers and directors of McDermott immediately following the Combination. The McDermott Board was aware of these interests during the deliberation of the merits of the Business Combination Agreement and the transactions, and in deciding to recommend that McDermott's stockholders vote in favor of the proposals on the agenda at the McDermott Special Meeting. Please read



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**Table of Contents*****Chicago Bridge & Iron Company N.V. (see page 117)***

In considering the recommendation of the CB&I Boards to vote in favor of the proposals for resolution at the CB&I Special General Meeting, CB&I shareholders should be aware that CB&I's executive officers and directors have certain interests in the Combination that may be different from, in addition to, or in conflict with, the interests of the CB&I shareholders generally. These interests include, but are not limited to, the fact that: (1) such executive officers and directors are party to certain agreements that provide for the vesting of equity awards (estimated total value for all officers and directors: \$30.2 million) in connection with the Combination; (2) certain executive officers are eligible for severance benefits under their change-in-control agreements upon certain qualifying terminations of employment (estimated total value for all executive officers: \$28.4 million); and (3) certain executive officers are eligible to receive a retention bonus in connection with the transaction (estimated total value for all executive officers: \$805,834). The CB&I Supervisory Board and the CB&I Management Board were aware of these interests during the deliberation of the merits of the Business Combination Agreement and the transactions, and in deciding to recommend that CB&I's shareholders vote in favor of the proposals for resolution at the CB&I Special General Meeting. Please read *The Combination Interests of Certain Persons in the Combination Chicago Bridge & Iron Company N.V.*

**Treatment of Equity Awards (see page 132)**

At the Merger Effective Time, all outstanding unexercised options to purchase shares of CB&I Common Stock ( *CB&I Options* ) will immediately vest and be converted into options to purchase shares of McDermott Common Stock with the duration and terms of such converted options to remain generally the same as the original CB&I Options. The number of shares of McDermott Common Stock subject to each converted option will be determined by multiplying the number of shares of CB&I Common Stock subject to the original CB&I Option by the Exchange Offer Ratio, rounded down to the nearest whole share. The option exercise price per share of McDermott Common Stock will be equal to the option exercise price per share of CB&I Common Stock under the original CB&I Option divided by the Exchange Offer Ratio, rounded up to the nearest whole cent.

At the Merger Effective Time, each outstanding award of performance shares relating to CB&I Common Stock (each, a *CB&I Performance Share Award* ) will be canceled and converted into the right to receive cash, without interest and less applicable withholding taxes, in an amount equal to (1) the product of (a) the Exchange Offer Ratio, (b) the target number of shares of CB&I Common Stock subject to the CB&I Performance Share Award and (c) the closing price for a share of McDermott Common Stock on the business day immediately preceding the Closing Date plus (2) an amount equal to any dividend equivalents associated with the CB&I Performance Share Award at that time.

At the Merger Effective Time: (1) each outstanding restricted stock unit award granted by CB&I ( *CB&I Restricted Stock Unit Award* ) that is held by a non-employee member of the CB&I Supervisory Board (whether or not vested); (2) each vested CB&I Restricted Stock Unit Award held by a member of a specific group of executive officers of CB&I that has not been settled; (3) each CB&I Restricted Stock Unit Award that vests in accordance with its terms as a result of the Combination; and (4) each vested share of CB&I Common Stock deferred pursuant to any CB&I equity compensation plan, will, in each case, be converted into a right to receive (a) a number of shares of McDermott Common Stock equal to the product of (i) the number of shares of CB&I Common Stock subject to the original CB&I award and (ii) the Exchange Offer Ratio, rounded to the nearest whole number of shares, plus (b) cash in an amount equal to any dividend equivalents associated with the CB&I Restricted Stock Unit Award at that time, subject to applicable withholding taxes.

At the Merger Effective Time, each other outstanding CB&I Restricted Stock Unit Award will be converted into a right to receive an award of restricted stock units that will be settled in McDermott Common Stock with substantially the same terms as the original CB&I award, including the vesting schedule and any conditions and





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restrictions on receipt. The number of shares of McDermott Common Stock subject to the converted restricted stock unit award will be determined by multiplying the number of shares of CB&I Common Stock subject to the original CB&I Restricted Stock Unit Award by the Exchange Offer Ratio, rounded to the nearest whole number of shares. The transactions contemplated by the Business Combination Agreement will not be considered a change in control for purposes of any award of CB&I Restricted Stock Unit granted on or after December 18, 2017.

Each converted equity award will, in accordance with its terms, be subject to further adjustment as appropriate to reflect any stock split, reclassification, recapitalization or other similar transaction of McDermott Common Stock subsequent to the Merger Effective Time.

At the Merger Effective Time, McDermott will assume the CB&I equity compensation plans and thereafter be entitled to grant equity or equity-based incentive awards with respect to McDermott Common Stock using the share reserves of the CB&I equity compensation plans as of the Merger Effective Time (including any shares of McDermott Common Stock returned to such share reserves as a result of the termination or forfeiture of an assumed award granted), except that: (1) shares covered by such awards will be shares of McDermott Common Stock; (2) all references in such CB&I stock plan to a number of shares will be deemed amended to refer instead to that number of shares of McDermott Common Stock (rounded down to the nearest whole share) as adjusted pursuant to the application of the Exchange Offer Ratio; and (3) the McDermott Board or a committee thereof will succeed to the authority and responsibility of the CB&I Boards or any applicable committee thereof with respect to the administration of such CB&I equity compensation plans.

CB&I's Employee Stock Purchase Plan and Supervisory Board Stock Purchase Plan were suspended effective January 1, 2018, and such plans will be terminated effective as of, and contingent upon, the Merger Effective Time.

**Financing of the Combination (see page 162)**

In connection with the Business Combination Agreement, McDermott entered into or received commitment letters (including the exhibits and other attachments thereto, and together with any amendments, modifications or supplements thereto, the Commitment Letters) from certain financial institutions to provide debt financing for the Combination. Each of Barclays Bank PLC (Barclays), Crédit Agricole Corporate and Investment Bank (CACIB), Goldman Sachs Bank USA (GS), ABN AMRO Capital USA LLC (ABN), Royal Bank of Canada (RBC), The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) and Standard Chartered Bank (Standard Chartered) are arrangers and/or agents for the debt financing and have provided commitments in respect thereof (Barclays, CACIB, GS, ABN, RBC, BTMU and Standard Chartered, together with the other financial institutions providing commitments for the debt financing are collectively referred to as the Commitment Parties). Pursuant to the Commitment Letters, McDermott expects to include the following activities as part of the debt financing:

The entry into a senior secured revolving credit facility in an aggregate principal amount of \$1.0 billion (the Revolving Credit Facility);

The entry into a senior secured letter of credit facility in the aggregate face amount of \$1.3 billion (the LC Facility);

The entry into one or more senior secured term loan facilities in the aggregate principal amount of \$2.15 billion (the Term Loan Facilities and, together with the Revolving Credit Facility and the LC Facility, the Senior Credit Facilities ), a portion of which will be cash collateralized to backstop letters of credit; and

The issuance by McDermott or one or more of its subsidiaries of senior unsecured debt securities in a private placement in the aggregate principal amount of \$1.5 billion (the Notes ).

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Prior to the Closing Date, McDermott may elect to decrease the commitments under the Term Loan Facilities to match any concurrent incremental commitments it receives from financial institutions in respect of the LC Facility (subject to a maximum LC Facility face amount of \$1.7 billion). McDermott utilized this election provision in February 2018 when RBC became one of the Commitment Parties, thereby decreasing the commitments under the Term Loan Facilities by \$100 million to an aggregate principal amount of \$2.15 billion and increasing the commitments under the LC Facility by \$100 million to an aggregate face amount of \$1.3 billion.

Pursuant to the Commitment Letters, the Commitment Parties have committed to provide, subject to the terms and conditions set forth therein, (1) the Senior Credit Facilities and (2) senior unsecured bridge facilities in an aggregate principal amount of up to \$1.5 billion, the availability of which will be subject to reduction upon the issuance of the Notes pursuant to the terms set forth in the Commitment Letters (the Bridge Facilities and, together with the Senior Credit Facilities, the Facilities ).

**Opinion of Financial Advisor to CB&I (see page 98)**

CB&I retained Centerview Partners LLC ( Centerview ) as financial advisor to CB&I in connection with the Combination and the other transactions contemplated by the Business Combination Agreement. In connection with Centerview s engagement, the CB&I Boards requested that Centerview evaluate the fairness, from a financial point of view, to the holders of outstanding shares of CB&I Common Stock (other than shares of CB&I Common Stock held by McDermott and its affiliates, which are collectively referred to as Excluded Shares throughout this section of the document and the summary of Centerview s opinion below under the caption Opinion of CB&I s Financial Advisor ) of the Exchange Offer Ratio provided for pursuant to the Business Combination Agreement. On December 17, 2017, Centerview rendered to the CB&I Supervisory Board its oral opinion, which was subsequently confirmed by delivery of a written opinion to the CB&I Boards dated December 17, 2017 that, as of such date and based upon and subject to the assumptions made, procedures followed, matters considered, and qualifications and limitations upon the review undertaken by Centerview in preparing its opinion, the Exchange Offer Ratio provided for pursuant to the Business Combination Agreement was fair, from a financial point of view, to the holders of shares of CB&I common stock (other than Excluded Shares).

The full text of Centerview s written opinion, dated December 17, 2017, which describes the assumptions made, procedures followed, matters considered, and qualifications and limitations upon the review undertaken by Centerview in preparing its opinion, is attached as Annex D and is incorporated herein by reference. **Centerview s financial advisory services and opinion were provided for the information and assistance of the CB&I Boards (in their capacity as directors and not in any other capacity) in connection with and for purposes of their consideration of the Combination and Centerview s opinion addressed only the fairness, from a financial point of view, as of the date thereof, to the holders of shares of CB&I Common Stock (other than Excluded Shares) of the Exchange Offer Ratio provided for pursuant to the Business Combination Agreement. Centerview s opinion did not address any other term or aspect of the Business Combination Agreement or the Combination and does not constitute a recommendation to any shareholder of CB&I or any other person as to how such shareholder or other person should vote with respect to the Combination or otherwise act with respect to the Combination or any other matter.**

**The full text of Centerview s written opinion should be read carefully in its entirety for a description of the assumptions made, procedures followed, matters considered, and qualifications and limitations upon the review undertaken by Centerview in preparing its opinion.**



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**Opinions of Financial Advisors to McDermott (see page 72)**

***Goldman Sachs & Co. LLC***

Goldman Sachs & Co. LLC ( Goldman Sachs ) delivered its opinion to the McDermott Board that, as of December 18, 2017 and based upon and subject to the factors and assumptions set forth therein, the 2.47221, or, if the McDermott Reverse Stock Split has occurred prior to the date on which the Exchange Offer Effective Time occurs, 0.82407, shares of McDermott Common Stock to be paid by McDermott Bidco for each share of CB&I Common Stock pursuant to the Business Combination Agreement was fair from a financial point of view to McDermott.

The full text of the written opinion of Goldman Sachs, dated December 18, 2017, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex B. Goldman Sachs provided advisory services and its opinion for the information and assistance of the McDermott Board in connection with its consideration of the Combination. The Goldman Sachs opinion is not a recommendation as to how any holder of shares of McDermott Common Stock should vote with respect to matters related to the Combination, or any other matter. Pursuant to an engagement letter between McDermott and Goldman Sachs, McDermott has agreed to pay Goldman Sachs a transaction fee of \$16 million, all of which is contingent upon consummation of the Combination.

***Greenhill & Co., LLC***

Greenhill & Co., LLC ( Greenhill ) delivered its opinion to the McDermott Board that, as of December 18, 2017 and based upon and subject to the limitations and assumptions set forth therein, the 2.47221, or, if the McDermott Reverse Stock Split has occurred prior to the date on which the Exchange Offer Effective Time occurs, 0.82407, shares of McDermott Common Stock to be paid by McDermott Bidco for each share of CB&I Common Stock pursuant to the Business Combination Agreement was fair, from a financial point of view, to McDermott.

The full text of the written opinion of Greenhill, dated December 18, 2017, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex C. We encourage you to read Greenhill s opinion, and the section The Combination Opinions of McDermott s Financial Advisors Greenhill & Co., LLC carefully and in their entirety. Greenhill provided advisory services and its opinion solely for the information and assistance of the McDermott Board in connection with its consideration of the Combination. Greenhill s opinion is not a recommendation as to how any holder of shares of McDermott Common Stock should vote with respect to matters related to the Combination, or any other matter. Pursuant to an engagement letter between McDermott and Greenhill, McDermott has agreed to pay Greenhill a transaction fee of \$16 million, \$3.2 million of which became payable upon delivery of Greenhill s opinion to McDermott s Board and the rest of which is contingent upon consummation of the Combination.

**Conditions to the Combination (see page 147)**

The respective obligations of each party to conduct the closing of the transactions contemplated by the Business Combination Agreement are subject to the fulfillment of the following conditions on or prior to the Closing Date:

the absence of any judgment, injunction, order or decree of any court of competent jurisdiction or a governmental entity in the United States, the Republic of Panama, Russia or the Netherlands prohibiting or enjoining the consummation of the Exchange Offer or any of the Core Transactions, and no law, statute, rule

or regulation having been enacted by any governmental entity or in effect in any of those jurisdictions that prohibits or makes unlawful the consummation of the Exchange Offer or any of the Core Transactions;

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the effectiveness of the registration statement of which this document is a part, and the absence of any stop order or proceeding (or threatened proceeding) by the SEC seeking a stop order relating to such effectiveness;

the CB&I Shareholder Approval and the McDermott Stockholder Approval shall have been obtained;

the McDermott Articles Amendment shall have become effective;

the approval for listing on the NYSE of the shares of McDermott Common Stock to be issued pursuant to the Combination, subject to official notice of issuance;

any waiting period applicable to the Combination under the HSR Act shall have expired or been earlier terminated and competition law merger control clearance in Russia shall have been obtained;

McDermott and CB&I shall each be reasonably satisfied that all of the conditions to funding the Financings or any applicable alternative financing arrangements shall have been satisfied or that the applicable financings shall have been funded;

performance in all material respects by each of the McDermott Parties, on the one hand, and the CB&I Parties, on the other hand, of its respective covenants and agreements required to be performed by it under the Business Combination Agreement at or prior to the Closing Date;

certain representations and warranties of the McDermott Parties, on the one hand, and the CB&I Parties, on the other hand, contained in the Business Combination Agreement being true and correct as of the date of the Business Combination Agreement and as of the Closing Date, subject to certain materiality thresholds; and

receipt by McDermott, on the one hand, and CB&I, on the other hand, of a certificate of the other party, executed on its behalf by an executive officer, certifying to the effect that the conditions referred to in the immediately preceding two bullets have been satisfied.

**Termination of the Business Combination Agreement (see page 148)**

The Business Combination Agreement may be terminated at any time prior to the effective time of the CB&I Technology Acquisition:

by mutual written consent of McDermott and CB&I;

by either McDermott or CB&I if:



the CB&I Technology Acquisition has not occurred on or before the Termination Date, June 18, 2018, provided that if all of the conditions to closing of the Combination, other than those pertaining to (1) the expiration of the waiting period under the HSR Act or approval from the Russian Federal Antimonopoly Service or (2) any order or injunction prohibiting the Combination under antitrust laws, have been satisfied or waived (except for those conditions that by their nature are to be satisfied at closing), then the Termination Date may be extended at the option of either McDermott or CB&I, by no more than three months per extension, to a date not later than December 18, 2018; however, the right to terminate as a result of the Termination Date is not available to any party whose breach of any provision of the Business Combination Agreement has been the proximate cause of, or resulted in, the failure of the Combination to occur on or before the Termination Date;

the McDermott Stockholder Approval has not been obtained at the McDermott Special Meeting (including any adjournment or postponement of such meeting);

the CB&I Shareholder Approval has not been obtained at the CB&I Special General Meeting or any reconvened CB&I Special General Meeting in accordance with the provisions of the Business Combination Agreement; or

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a court of competent jurisdiction or a governmental entity in the United States, the Republic of Panama, Russia or the Netherlands shall have issued a final, nonappealable order, decree or ruling permanently restraining, enjoining or otherwise prohibiting the Exchange Offer or any of the Core Transactions;

by CB&I if:

any of the McDermott entities party to the Business Combination Agreement is in breach of the Business Combination Agreement such that the closing conditions in the Business Combination Agreement would not be satisfied and such breach is not curable prior to the Termination Date, subject to certain conditions;

CB&I enters into any agreement or arrangement providing for a Superior Proposal (as defined herein); provided, that CB&I will concurrently pay to McDermott the termination fee described below; or

at any time prior to obtaining the McDermott Stockholder Approval, there is a change in the McDermott Board's recommendation; provided, that McDermott will concurrently pay to CB&I the termination fee described below.

by McDermott if:

any of the CB&I Parties is in breach of the Business Combination Agreement such that the closing conditions in the Business Combination Agreement would not be satisfied and such breach is not curable prior to the Termination Date, subject to certain conditions;

McDermott is entering any agreement or arrangement providing for a Superior Proposal; provided, that McDermott will concurrently pay to CB&I the termination fee described below; or

at any time prior to obtaining the CB&I Shareholder Approval, there is a change in the CB&I Boards recommendation; provided, that CB&I will concurrently pay to McDermott the termination fee described below.

**Termination Fees (see page 149)**

Termination of the Business Combination Agreement may require CB&I or McDermott to pay a cash termination fee of \$60.0 million under certain circumstances. CB&I or McDermott will be required to pay the termination fee to the other party if:

either party terminates the Business Combination Agreement because the approval of the paying party's shareholders (the CB&I Shareholder Approval or the McDermott Stockholder Approval, as applicable) is not obtained and:

prior to such time there is a publicly announced or disclosed Acquisition Proposal (as defined herein) for the paying party by another bidder that was not withdrawn at least seven days prior to the meeting of the paying party's shareholders; and

within one year after the date of termination, the paying party enters into a definitive agreement with respect to, or consummates, an Acquisition Proposal;

the paying party terminates the Business Combination Agreement to enter into an agreement providing for a Superior Proposal; or

the receiving party terminates the Business Combination Agreement because there is a change in recommendation of the paying party's board (the McDermott Board, in the case of McDermott, or the CB&I Boards, in the case of CB&I).

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### **Accounting Treatment (see page 111)**

The Combination will be accounted for as a business combination in accordance with Accounting Standards Codification Topic ASC 805, *Business Combination* ( ASC 805 ), with McDermott treated as the acquirer and CB&I treated as the acquired company for financial reporting purposes.

### **Listing of McDermott Shares; Delisting and Deregistration of CB&I Shares (see page 123)**

As stated above, a condition to completion of the Combination is the approval for listing on the NYSE of all the shares of McDermott Common Stock to be issued in the Combination. McDermott has agreed to use its reasonable best efforts to obtain such approval from the NYSE. If the Exchange Offer and the Core Transactions are completed, CB&I intends to delist the CB&I Common Stock from the NYSE and deregister the CB&I Common Stock under the Securities Exchange Act of 1934, as amended.

### **Resales of McDermott Common Stock (see page 123)**

The shares of McDermott Common Stock to be issued in the Combination will not be subject to any restrictions on transfer existing under the Securities Act, except for any shares issued to any CB&I shareholder who may be deemed to be an affiliate of McDermott after the completion of the Combination. This document does not cover resales of McDermott Common Stock by affiliates of McDermott or CB&I.

### **Litigation Relating to the Combination (see page 124)**

In January and February 2018, four shareholders of CB&I filed separate lawsuits three as putative class actions and one on an individual basis in the United States District Court for the Southern District of Texas naming CB&I and the members of the CB&I Board of Directors as defendants and alleging violations of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 under the Exchange Act with respect to the registration statement to which this document forms a part. One of the putative class action lawsuits also names as defendants certain subsidiaries of CB&I and McDermott that are parties to the Business Combination Agreement and McDermott as an alleged control person of CB&I, and another also names certain current and former CB&I officers and employees individually.

### **Comparison of Rights of Shareholders (see page 180)**

McDermott is a Panamanian corporation. CB&I is a Dutch public limited company. The shares of McDermott Common Stock that CB&I shareholders will receive in the Combination will be shares of a Panamanian corporation. McDermott stockholder rights under Panamanian law and CB&I shareholder rights under Dutch law are different. In addition, McDermott's Articles of Incorporation and Amended and Restated By-Laws contain provisions that are different from CB&I's Articles of Association.

Material differences include:

Only shareholders have the power to elect directors of a Dutch company, including to fill any vacancy. McDermott's Articles of Incorporation provide that any director vacancies will be filled only by the McDermott Board, acting by a majority of the then remaining directors, even if less than a quorum.

Under Dutch law, the affirmative vote of a majority of the votes cast on the matter by holders of shares of CB&I Common Stock is required to effectuate a merger or approve the sale of all or substantially all of CB&I's stock or assets; provided, that, pursuant to CB&I's Articles of Association, the adoption of resolutions for a merger, dissolution, liquidation or legal division requires the affirmative vote of at least 80% of all the issued and outstanding shares of CB&I Common Stock if there is a beneficial

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owner or group of beneficial owners of more than 15% of the issued and outstanding shares of CB&I Common Stock. Under McDermott's Articles of Incorporation, whenever applicable law requires the vote or consent of its stockholders to authorize or approve a sale, lease or exchange of all or substantially all McDermott's property or assets or to adopt or approve an agreement of merger or consolidation of McDermott with or into any other corporation or to merge any other corporation into McDermott, the vote of at least two-thirds of the outstanding capital stock entitled to vote on that transaction is required for any such authorization, adoption or approval.

Under McDermott's Amended and Restated By-Laws, the presence at a meeting of McDermott stockholders, in person or by proxy, of holders of a majority of the outstanding shares of McDermott Common Stock as of the record date for that meeting generally will constitute a quorum. There are no quorum requirements generally applicable to general meetings of CB&I shareholders, except that Dutch law requires a higher vote for the adoption of certain specific matters if a specified quorum is not present or represented at the CB&I general meeting.

McDermott is subject to Decree No. 45 of December 5, 1977 of the Republic of Panama, which imposes certain restrictions on offers to acquire voting securities of a corporation if, following such acquisition, the acquiror would own more than 5% of the outstanding voting securities with a market value of at least five million Balboas (approximately \$5 million). Dutch law does not include any comparable provision.

### **Material Tax Consequences of the Combination (see page 196)**

Holders of CB&I Common Stock should read **Material Tax Consequences of the Combination** for a discussion of certain material U.S. federal income tax and Dutch dividend withholding tax consequences of the Combination to U.S. holders (as defined herein) of CB&I Common Stock. All holders of CB&I Common Stock are urged to consult their own tax advisors to determine the tax consequences to them (including the application and effect of any state, local or non-U.S. income and other tax laws) of the Combination.

### **Exchange Agent for the Merger**

Computershare Trust Company, N.A. will serve as the exchange agent in connection with the Merger.

### **Exchange Agent for the Exchange Offer**

Computershare Trust Company, N.A. will serve as the exchange agent in connection with the Exchange Offer.

### **The Information Agent**

The information agent for the Exchange Offer is MacKenzie Partners, Inc.

### **Selected Historical Consolidated Financial Information of McDermott**

The following table sets forth selected historical consolidated financial information of McDermott that has been derived from McDermott's Consolidated Financial Statements as of December 31, 2017, 2016, 2015, 2014 and 2013, and for the years then ended. This disclosure does not include the effects of the Combination.

You should read this financial information in conjunction with the audited Consolidated Financial Statements and the related Notes and Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations included in McDermott's Annual Report on Form 10-K for the year ended December 31, 2017

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incorporated by reference in this document. See the section entitled "Where You Can Find More Information" beginning on page 215 of this document. See also the unaudited pro forma combined financial information regarding the proposed Combination set forth elsewhere in this document. McDermott's historical results are not necessarily indicative of results to be expected in future periods.

	<b>For the Years Ended December 31,</b>				
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>(In thousands, except for per share amounts)</b>				
<b>Results of Operations Data:</b>					
Revenues	\$ 2,984,768	\$ 2,635,983	\$ 3,070,275	\$ 2,300,889	\$ 2,658,932
Cost of operations	2,449,443	2,249,270	2,690,560	2,111,958	2,801,426
Research and development expenses	4,946	346	724	1,055	
Selling, general and administrative expenses	198,973	178,752	217,239	208,564	193,126
Other operating (income) expenses, net	7,204	65,362	49,070	(37,090)	105,009
<b>Total costs and expenses</b>	<b>2,660,566</b>	<b>2,493,730</b>	<b>2,957,593</b>	<b>2,284,487</b>	<b>3,099,561</b>
Operating income (loss)	324,202	142,253	112,682	16,402	(440,629)
Net income (loss)	177,215	36,299	(8,839)	(65,394)	(489,910)
Less: net (loss) income attributable to noncontrolling interest	(1,331)	2,182	9,144	10,600	18,958
<b>Net income (loss) attributable to McDermott</b>	<b>178,546</b>	<b>34,117</b>	<b>(17,983)</b>	<b>(75,994)</b>	<b>(508,868)</b>
Net income (loss) per share attributable to McDermott:					
Basic	0.65	0.14	(0.08)	(0.32)	(2.15)
Diluted	0.63	0.12	(0.08)	(0.32)	(2.15)
<b>Balance Sheet and Other Data:</b>					
Total cash, restricted cash and cash equivalents	408,192	612,333	781,645	852,894	142,354
Total current assets	1,434,250	1,332,383	1,527,278	1,487,381	1,080,200
Total non-current assets	1,788,570	1,889,847	1,859,798	1,929,498	1,723,494
Total assets	3,222,820	3,222,230	3,387,076	3,416,879	2,803,694
Current debt	24,264	48,125	24,882	23,678	39,543
Total current liabilities	706,934	709,343	824,206	857,594	1,120,984
Long-term debt	512,713	704,395	819,001	840,791	45,342
Total non-current liabilities	727,109	917,419	1,016,149	1,020,171	242,366
Total equity	1,788,777	1,595,468	1,546,721	1,539,114	1,440,344
Net book value per share	6.30	6.61	6.47	6.47	6.07
Ratio of earnings to fixed charges <sup>(1)</sup>	3.98x	1.77x	1.31x		



- (1) For the years ended December 31, 2014 and 2013, earnings were deficient to cover fixed charges by \$67,763 and \$443,997, respectively, primarily as a result of operating losses.

**Table of Contents****Selected Historical Consolidated Financial Information of CB&I**

The following table sets forth selected historical consolidated financial information of CB&I that has been derived from CB&I's Consolidated Financial Statements as of December 31, 2017, 2016, 2015, 2014 and 2013, and for the years then ended. This disclosure does not include the effects of the Combination.

You should read this financial information in conjunction with the audited Consolidated Financial Statements and the related Notes and Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations included in CB&I's Annual Report on Form 10-K for the year ended December 31, 2017 incorporated by reference in this document. See the section entitled "Where You Can Find More Information" beginning on page 215 of this document. See also the unaudited pro forma combined financial information regarding the proposed Combination set forth elsewhere in this document. CB&I's historical results are not necessarily indicative of results to be expected in future periods.

	<b>2017</b>	<b>For the Years Ended December 31,</b>			<b>2013<sup>(2)</sup></b>
		<b>2016</b>	<b>2015</b>	<b>2014<sup>(2)</sup></b>	
	<b>(In thousands, except for per share amounts)</b>				
<b>Results of Operations Data:</b>					
Revenue	\$ 6,673,330	\$ 8,599,649	\$ 10,630,812	\$ 10,816,517	\$ 9,430,731
Cost of revenue	6,666,218	7,722,239	9,277,318	9,515,616	8,348,830
Gross profit	7,112	877,410	1,353,494	1,300,901	1,081,901
Selling and administrative expense	275,421	298,041	336,282	358,876	333,689
Intangibles amortization	25,841	25,839	37,665	46,546	43,651
Equity earnings	(48,397)	(24,570)	(14,777)	(24,536)	(22,893)
Goodwill impairment			453,100		
Loss on net assets sold and intangible assets impairment		148,148	1,052,751		
Restructuring related costs	114,525				
Other operating (income) expense, net	(64,916)	2,411	3,060	(1,822)	2,244
Acquisition and integration related costs				31,385	80,859
(Loss) income from operations	(295,362)	427,541	(514,587)	890,452	644,351
Net (loss) income from continuing operations	(1,320,098)	379,076	(475,855)	597,238	502,212
Net (loss) income from discontinued operations	(104,463)	(618,899)	45,894	38,887	10,378
Less: net income attributable to noncontrolling interests	32,762	71,159	71,943	90,642	57,229
Less: net income attributable to noncontrolling interests discontinued operations	870	2,187	2,511	1,876	1,241
Net (loss) income attributable to CB&I	(1,458,193)	(313,169)	(504,415)	543,607	454,120
Basic (loss) income per common share attributable to CB&I:	(13.40)	2.99	(5.13)	4.69	4.20

(Loss) income from continuing operations					
(Loss) income from discontinued operations	(1.04)	(6.04)	0.41	0.34	0.09
Diluted (loss) income per common share attributable to CB&I:					
(Loss) income from continuing operations	(13.40)	2.97	(5.13)	4.64	4.14
(Loss) income from discontinued operations	(1.04)	(5.99)	0.41	0.34	0.09
<b>Balance Sheet Data:</b>					
Total cash, restricted cash and cash equivalents	\$ 354,639	\$ 490,679	\$ 535,714	\$ 321,306	\$ 380,662
Total current assets	1,830,673	2,541,752	3,367,299	2,956,583	2,832,811
Total non-current assets	4,140,909	5,297,668	5,824,761	6,413,247	6,541,480
Total assets	5,971,582	7,839,420	9,192,060	9,369,830	9,374,291
Current debt	2,262,442	911,410	800,871	269,849	213,835
Total current liabilities	5,261,912	4,536,249	4,856,948	4,316,485	4,791,070
Long-term debt		1,287,923	1,791,832	1,553,846	1,610,863
Total non-current liabilities	491,306	1,741,834	2,171,522	2,177,042	2,075,783
Total equity	218,364	1,561,337	2,163,590	2,876,303	2,507,438
Net book value per share	2.15	15.60	20.72	26.68	23.33
Ratio of earnings to fixed charges <sup>(1)</sup>		4.03x		9.15x	6.43x

<sup>(1)</sup> For the years ended December 31, 2017 and 2015, earnings were deficient to cover fixed charges by \$552,609 and \$566,586, respectively, primarily as a result of operating losses.

<sup>(2)</sup> Certain historical balances have been recast to reflect CB&I's adoption of ASU 2015-03 in 2016 and the impact of operations that were classified as discontinued operations as of December 31, 2017.

**Table of Contents****Selected Unaudited Pro Forma Combined Financial Information**

The following unaudited pro forma combined statements of operations information for the year ended December 31, 2017 has been prepared to give effect to the Combination as if it had occurred on January 1, 2017. The unaudited pro forma combined balance sheet information as of December 31, 2017 has been prepared to give effect to the Combination as if it had occurred on December 31, 2017.

The pro forma information is not necessarily indicative of what the combined business financial position or results of operations actually would have been had the Combination been completed as of the dates indicated. In addition, the unaudited pro forma combined financial information does not purport to project the future financial position or operating results of the combined business. Future results may vary significantly from the results reflected because of various factors, including those discussed in Risk Factors beginning on page 25 of this document. The following selected unaudited pro forma combined financial information should be read in conjunction with the Unaudited Pro Forma Combined Financial Statements and related notes included in this document beginning on page 166 of this document.

	<b>Year Ended December 31, 2017 (In millions, except per share data)</b>
<b>Pro Forma Combined Statement of Operations Information</b>	
Revenue	\$ 9,658
Net loss from continuing operations	(1,329)
Basic loss per share from continuing operations <sup>(1)</sup>	(2.52)
Diluted loss per share from continuing operations <sup>(1)</sup>	(2.52)
	<b>December 31, 2017 (In millions)</b>
<b>Pro Forma Combined Balance Sheet Information:</b>	
Total assets	\$ 11,552
Total debt, net of debt issuance cost, including current portion	3,528
Total liabilities	7,899
Total equity	3,653

<sup>(1)</sup> Effects of the proposed McDermott Reverse Stock Split are described in Comparative Historical and Pro Forma Per Share Information of this document.

*Combined pro forma earnings to fixed charges ratio* 2017 pro forma combined earnings were deficient to cover pro forma fixed charges by \$578 million.



**Table of Contents****Comparative Per Share Market Price and Dividend Information**

The following table sets forth the closing sale price per share of McDermott Common Stock and CB&I Common Stock as reported on the NYSE as of December 18, 2017, the last trading day before the public announcement of the Combination, and as of March 1, 2018, the most recent practicable trading day prior to the date of this document. The table also shows the implied value of the Combination consideration proposed for each share of CB&I Common Stock as of the same dates. This implied value was calculated by multiplying the closing sale price of a share of McDermott Common Stock on the relevant date and the exchange offer ratio of 2.47221.

	<b>McDermott Closing Price</b>	<b>CB&amp;I Closing Price</b>	<b>Equivalent Per Share Value</b>
December 18, 2017	\$ 7.59	\$ 17.92	\$ 18.76
March 1, 2018	7.24	17.17	17.90

The following table sets forth, for the periods indicated, the intra-day high and low sales prices per share for McDermott Common Stock and CB&I Common Stock as reported on the NYSE, which is the principal trading market for both McDermott Common Stock and CB&I Common Stock, and the cash dividends declared per share of McDermott Common Stock and CB&I Common Stock.

The market prices of McDermott Common Stock and CB&I Common Stock will fluctuate between the date of this document and the completion of the Combination. No assurance can be given concerning the market prices of McDermott Common Stock or CB&I Common Stock before the completion of the Combination or McDermott Common Stock after the completion of the Combination. Because the Exchange Offer Ratio is fixed in the Business Combination Agreement, the market value of the McDermott Common Stock that CB&I shareholders will receive in connection with the Combination may vary significantly from the prices shown in the table above. Accordingly, CB&I shareholders are advised to obtain current market quotations for McDermott Common Stock and CB&I Common Stock before deciding whether to vote for adoption of the Business Combination Agreement.

	<b>McDermott Common Stock</b>			<b>CB&amp;I Common Stock</b>		
	<b>Price Range</b>	<b>Cash Dividends</b>	<b>Cash Dividends</b>	<b>Price Range</b>	<b>Cash Dividends</b>	<b>Cash Dividends</b>
	<b>High</b>	<b>Low</b>	<b>Declared</b>	<b>High</b>	<b>Low</b>	<b>Declared</b>
<b>2018</b>						
First quarter (through March 1, 2018)	\$ 9.07	\$ 6.60	\$	\$ 21.94	\$ 16.15	\$
<b>2017</b>						
Fourth Quarter	7.85	6.05		18.72	13.76	
Third Quarter	7.73	5.56		20.20	9.55	
Second Quarter	7.23	5.90		31.69	12.91	0.07
First Quarter	8.33	6.08		36.15	28.40	0.07
<b>2016</b>						
Fourth Quarter	8.21	4.93		36.56	26.55	0.07
Third Quarter	5.40	4.41		39.71	26.12	0.07
Second Quarter	5.19	3.53		41.33	32.16	0.07

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First Quarter	4.44	2.20	39.82	31.30	0.07
<b>2015</b>					
Fourth Quarter	6.00	3.18	46.39	36.75	0.07
Third Quarter	5.37	3.02	53.73	36.23	0.07
Second Quarter	5.93	3.86	59.45	44.00	0.07
First Quarter	3.91	2.10	50.12	32.16	0.07
<b>2014</b>					
Fourth Quarter	5.72	2.21	58.21	37.37	0.07
Third Quarter	8.12	5.65	70.27	57.54	0.07
Second Quarter	8.43	6.58	89.22	64.67	0.07
First Quarter	9.36	7.25	87.41	70.76	0.07

**Table of Contents****Comparative Historical and Pro Forma Per Share Information**

The table below summarizes unaudited per share information for McDermott on a historical basis and on a pro forma combined basis reflecting the proposed Combination and the effects of the proposed McDermott Reverse Stock Split. The Exchange Offer Ratio for the pro forma computations is 2.47221 shares of McDermott Common Stock per share of CB&I Common Stock. You should read the information below, together with the financial statements and related notes of McDermott and CB&I appearing elsewhere in this document and the unaudited pro forma combined financial data included under Unaudited Pro Forma Combined Financial Statements. You should not rely on this historical or pro forma information as being indicative of the historical results that would have been achieved had the companies always been combined or of the future results of McDermott. The historical net book value per share is computed by dividing total stockholders' or shareholders' equity by the number of shares outstanding at the end of the period, excluding any shares held in treasury. The unaudited pro forma combined earnings per share value, in the Combined Business Pro Forma column below, is computed by dividing pro forma earnings from continuing operations available to holders of McDermott shares by the pro forma weighted average number of shares outstanding. The unaudited pro forma combined net book value per share is computed by dividing total pro forma stockholders' or shareholders' equity by the pro forma number of shares outstanding at the end of the period.

	Year Ended December 31, 2017			
	McDermott		CB&I	
	Combined Business Pro Forma		Equivalent Pro Forma <sup>(1)</sup>	
	Historical	Forma	Historical	Forma <sup>(1)</sup>
<b>Prior to reverse stock split</b>				
Basic income (loss) per share from continuing operations	\$ 0.65	\$ (2.52)	\$ (13.40)	\$ (6.23)
Diluted income (loss) per share from continuing operations	0.63	(2.52)	(13.40)	(6.23)
Cash dividends per share			0.14	
Book value per share at period end <sup>(2)</sup>	6.30	6.93	2.15	17.13
<b>Effect of the reverse stock split</b>				
Basic income (loss) per share from continuing operations	1.95	(7.56)		
Diluted income (loss) per share from continuing operations	1.89	(7.56)		
Book value per share at period end	18.90	20.79		

- (1) Pro forma CB&I equivalent per share amounts were calculated by multiplying the pro forma combined per share amounts by the Exchange Offer Ratio of 2.47221 provided for in the Business Combination Agreement.
- (2) Historical book value per share is computed by dividing shareholders' equity by the number of shares of McDermott Common Stock or CB&I Common Stock outstanding. Pro forma combined book value per share is computed by dividing pro forma combined stockholders' or shareholders' equity by the pro forma number of shares of McDermott Common Stock outstanding.





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**Table of Contents****RISK FACTORS**

*Before deciding how to vote (if you are a CB&I shareholder or a McDermott stockholder), or to tender your shares in the Exchange Offer (if you are a CB&I shareholder), you should carefully review and consider the risks described below, those described in the section entitled *Cautionary Statement Regarding Forward-Looking Statements* and the other information contained in this document or in the documents that McDermott and CB&I incorporate by reference into this document, particularly the risk factors set forth in the documents of McDermott and CB&I incorporated by reference into this document. In addition, you should read and consider the risks associated with each of the businesses of McDermott and CB&I because these risks will also affect McDermott, as the combined business, following completion of the Combination. See the section entitled *Where You Can Find More Information*. In addition to the risks set forth below, new risks may emerge from time to time and it is not possible to predict all risk factors, nor can McDermott or CB&I assess the impact of all factors on the Combination and the combined business following the Combination or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in or implied by any forward-looking statements.*

**Risks Relating to the Combination**

**The Exchange Offer Ratio is fixed and will not be adjusted in the event of any change in either CB&I or McDermott's stock price.**

In the Exchange Offer (as defined in the Business Combination Agreement, dated as of December 18, 2017, by and among McDermott, CB&I and the other parties thereto (as it may be amended or supplemented from time to time, the Business Combination Agreement)), CB&I shareholders will be offered to exchange each of their issued and outstanding shares of CB&I common stock, par value EUR 0.01 per share (CB&I Common Stock) for 2.47221 shares of McDermott common stock, par value \$1.00 per share (McDermott Common Stock) or, if the McDermott Reverse Stock Split (as defined herein) has occurred, 0.82407 shares of McDermott Common Stock, plus cash in lieu of any fractional shares (collectively, the Per Share Consideration). Additionally, pursuant to the transactions contemplated by the Business Combination Agreement, CB&I shareholders that do not tender their shares of CB&I Common Stock in the Exchange Offer will, if the Combination is completed, ultimately receive the same Per Share Consideration, subject to applicable withholding taxes, including Dutch dividend withholding tax (the Dutch Dividend Withholding Tax) under the Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*) to the extent the Liquidation Distribution (as defined herein) exceeds the average paid-in capital recognized for Dutch dividend withholding tax purposes of the shares of CB&I Newco common stock (CB&I Newco Common Stock). The Exchange Offer Ratio is fixed in the Business Combination Agreement and will not be adjusted for changes in the market price of either CB&I Common Stock or McDermott Common Stock. As such, the value of the Per Share Consideration will depend in part on the price per share of McDermott Common Stock at the time the Exchange Offer and the Combination (as defined in the Business Combination Agreement) are completed. Changes in the price of McDermott Common stock prior to the expiration of the Exchange Offer and the completion of the Combination will affect the market value of the Per Share Consideration that CB&I shareholders will become entitled to receive in the Combination. Neither party is permitted to abandon the Combination or terminate the Business Combination Agreement solely because of changes in the market price of either party's common stock. Stock price changes may result from a variety of factors (many of which are beyond CB&I's or McDermott's control), including:

changes in CB&I's and McDermott's respective business, operations and prospects;

changes in market assessments of the business, operations and prospects of either company;

market assessments of the likelihood that the Combination will be completed, including related considerations regarding regulatory approvals of the Combination;

interest rates, general market, industry, economic and political conditions and other factors generally affecting the price of CB&I's and McDermott's common stock; and

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federal, state, local and foreign legislation, governmental regulation and legal developments impacting the industries in which CB&I and McDermott operate.

The price of McDermott Common Stock at the closing of the Combination may vary from its price on the date the Business Combination Agreement was executed, on the date of this document and on the date of the CB&I Special General Meeting. As a result, the market value represented by the Exchange Offer Ratio will also vary. For example, based on the range of closing prices of McDermott Common Stock during the period from December 18, 2017 (the last trading day before the public announcement of the Combination), through March 1, 2018 (the most recent practicable trading day before the date of this document), the Exchange Offer Ratio represented a market value ranging from a low of \$16.14 to a high of \$22.20 for each share of CB&I Common Stock.

**Because the date that the Combination is completed will be later than the date of the CB&I Special General Meeting, at the time of the CB&I Special General Meeting, CB&I shareholders will not know the exact market value of the shares of McDermott Common Stock that they will receive upon completion of the Combination.**

If the price of McDermott Common Stock declines between the date of the CB&I Special General Meeting and the completion of the Combination, including for any of the reasons described above, CB&I shareholders will receive shares of McDermott Common Stock that have a market value upon completion of the Combination that is less than the market value calculated pursuant to the Exchange Offer Ratio on the date of the CB&I Special General Meeting. Therefore, while the number of shares of McDermott Common Stock to be issued and delivered in exchange for each share of CB&I Common Stock is fixed, CB&I shareholders cannot be sure of the market value of the shares of McDermott Common Stock they will receive upon completion of the Combination. In addition, the market value of the shares of McDermott Common Stock that CB&I shareholders will be entitled to receive in the Combination also will continue to fluctuate after the completion of the Combination and CB&I shareholders could lose the value of their investment in McDermott Common Stock.

**The market price for McDermott Common Stock may be affected by factors different from those that historically have affected the market price of CB&I Common Stock and McDermott Common Stock individually.**

Upon completion of the Combination, CB&I shareholders will become McDermott stockholders. McDermott's business differs from that of CB&I, and accordingly the results of operations of McDermott will be affected by certain factors that are different from those currently affecting the results of operations of CB&I and currently affecting the results of operations of McDermott individually. For a discussion of the businesses of McDermott and CB&I and of some important factors to consider in connection with those businesses, see the section entitled "Where You Can Find More Information" for the location of information incorporated by reference into this document.

**CB&I shareholders will have a significantly reduced ownership and voting interest after the Combination and will exercise less influence over management.**

Immediately after the completion of the Combination, it is expected that CB&I shareholders, who collectively own 100% of CB&I, will own approximately 47% of McDermott based on the number of shares of CB&I Common Stock and McDermott Common Stock outstanding, assuming all CB&I shareholders participate in the Exchange Offer (such that their share ownership would not be reduced as a result of withholding for the Dutch Dividend Withholding Tax). Consequently, CB&I shareholders will have less influence over the management and policies of McDermott than they currently have over the management and policies of CB&I.



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### **McDermott stockholders will have a significantly reduced ownership and voting interest after the Combination and will exercise less influence over management.**

Immediately after the completion of the Combination, it is expected that McDermott stockholders, who collectively own 100% of McDermott, will own approximately 53% of McDermott based on the number of shares of CB&I Common Stock and McDermott Common Stock outstanding, assuming all CB&I shareholders participate in the Exchange Offer (such that their share ownership would not be reduced as a result of withholding for the Dutch Dividend Withholding Tax). Consequently, McDermott stockholders will have less influence over the management and policies of McDermott following completion of the Combination than they currently have over the management and policies of McDermott.

### **The unaudited pro forma combined financial statements included in this document are presented for illustrative purposes only and the actual financial condition and results of operations of McDermott following the Combination may differ materially.**

The unaudited pro forma combined financial statements contained in this document are presented for illustrative purposes only, are based on various adjustments, assumptions and preliminary estimates, and may not be an indication of McDermott's financial condition or results of operations following the Combination for several reasons. The actual financial condition and results of operations of McDermott following the Combination may not be consistent with, or evident from, these unaudited pro forma combined financial statements. In addition, the assumptions used in preparing the unaudited pro forma financial information may not prove to be accurate, and other factors may affect McDermott's financial condition or results of operations following the Combination. Any potential decline in McDermott's financial condition or results of operations may cause significant variations in the price of McDermott Common Stock. For more information, see the Unaudited Pro Forma Financial Statements included in this document.

### **The fairness opinions obtained by the McDermott Board and the CB&I Boards from their respective financial advisors will not reflect changes in circumstances between signing the Business Combination Agreement and the completion of the Combination.**

Changes in the operations and prospects of McDermott or CB&I, general market and economic conditions and other factors that may be beyond the control of McDermott or CB&I, and on which the fairness opinions were based, may alter the value of McDermott or CB&I or the price of shares of McDermott Common Stock or shares of CB&I Common Stock by the time the Combination is completed. In particular, the forward-looking financial information provided by McDermott and CB&I to their financial advisors at the time of such opinions did not reflect the impact of recent U.S. tax legislation (informally known as the Tax Cuts and Jobs Act), enacted on December 22, 2017, which, among other things, decreased the U.S. corporate income tax rate from 35% to 21%, before state and local income taxes. The opinions do not speak as of the time the Combination will be completed or as of any date other than the dates of such opinions. The opinions are included as Annexes B, C and D to this document. For a description of the opinions that the McDermott Board received from its financial advisors, see the sections entitled "The Combination Opinions of McDermott's Financial Advisors" beginning on page 72. For a description of the opinion that the CB&I Boards received from their financial advisor, see the section entitled "The Combination Opinion of CB&I's Financial Advisor" beginning on page 98.

### **CB&I's directors and executive officers have interests in the Combination that may be different from, and in addition to, the interests of other CB&I shareholders.**

Executive officers of CB&I negotiated the terms of the Business Combination Agreement with their counterparts at McDermott. In considering this fact and the other information contained in this document, you should be aware that

CB&I's directors and executive officers are parties to agreements or participants in other arrangements that give them interests in the Combination that may be different from, or conflict with, the interests of the other shareholders of CB&I, which could create conflicts of interest with other shareholders in

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their determinations to recommend the Combination. These interests include, but are not limited to, the fact that: (1) executive officers and directors are party to certain agreements that provide for the vesting of equity awards (estimated total value for all officers and directors: \$30.2 million) in connection with the Combination; (2) certain executive officers are eligible for severance benefits under their change in control agreements upon certain qualifying terminations of employment (estimated total value for all executive officers: \$28.4 million); and (3) certain executive officers are eligible to receive a retention bonus in connection with the transaction (estimated total value for all executive officers: \$805,834). The CB&I Supervisory Board and the CB&I Management Board (together, the CB&I Boards ) were aware of these interests and considered them, among other matters, in approving the Business Combination Agreement and the transactions contemplated thereby and making their recommendation that CB&I s shareholders vote in favor of the proposals for resolution at the CB&I Special General Meeting. CB&I shareholders should consider these interests in voting on the proposals. See the sections entitled The Combination Interests of Certain Persons in the Combination Chicago Bridge & Iron Company N.V. for additional details regarding these interests.

**McDermott s directors and executive officers have interests in the Combination that may be different from, and in addition to, the interests of other McDermott stockholders.**

Executive officers of McDermott negotiated the terms of the Business Combination Agreement with their counterparts at CB&I. In considering this fact and the other information contained in this document, you should be aware that McDermott s directors and executive officers are parties to agreements or participants in other arrangements that give them interests in the Combination that may be different from, or in addition to, the interests of the other stockholders of McDermott, which could create conflicts of interest in their determinations to recommend the Combination. The McDermott Board of Directors (the McDermott Board ) was aware of these interests and considered them, among other matters, in approving the Business Combination Agreement and the transactions contemplated thereby and making its recommendation that McDermott s stockholders vote in favor of the proposals on the agenda at the McDermott Special Meeting. McDermott stockholders should consider these interests in voting on the proposals. See the section entitled The Combination Interests of Certain Persons in the Combination McDermott International, Inc. for additional details regarding these interests.

**McDermott and CB&I will be subject to business uncertainties and certain operating restrictions until completion of the Combination.**

In connection with the pending Combination, some of the suppliers and customers of CB&I and/or McDermott may delay or defer sales and contracting decisions, which could negatively impact revenues, earnings and cash flows regardless of whether the Combination is completed. Additionally, CB&I and McDermott have each agreed in the Business Combination Agreement to refrain from taking certain actions with respect to their business and financial affairs during the pendency of the Combination, which restrictions could be in place for an extended period of time if completion of the Combination is delayed and could adversely impact CB&I s and McDermott s ability to execute certain of their business strategies and their financial condition, results of operations or cash flows. See the section entitled The Business Combination Agreement Conduct of Business Pending the Exchange Offer Effective Time for a description of the restrictive covenants to which each of McDermott and CB&I is subject.

**CB&I and McDermott may be unable to attract and retain key employees during the pendency of the Combination.**

In connection with the pending Combination, current and prospective employees of CB&I or McDermott may experience uncertainty about their future roles with the combined business following the Combination, which may materially adversely affect the ability of CB&I and McDermott to attract and retain key personnel during the



pendency of the Combination. Key employees may depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with the combined business following the Combination.

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Accordingly, no assurance can be given that CB&I or McDermott will be able to attract and retain key employees to the same extent that CB&I or McDermott, as applicable, has been able to in the past.

**The ability of CB&I and McDermott to complete the Combination is subject to the approval of CB&I shareholders and the McDermott stockholders, certain closing conditions and the receipt of consents and approvals from government entities which may impose conditions that could adversely affect CB&I or McDermott or cause the Combination to be abandoned.**

The Business Combination Agreement contains certain closing conditions, including approval of certain proposals by CB&I shareholders and McDermott stockholders, the absence of injunctions or other legal restrictions, the availability of financing related to the Combination and that no material adverse effect shall have occurred with respect to either company.

In addition, CB&I and McDermott will be unable to complete the Combination until consent is received from the Federal Antimonopoly Service of the Russian Federation, which may impose certain requirements or obligations as conditions for approval. The Business Combination Agreement may require CB&I and/or McDermott to accept conditions from such regulator that could adversely impact the combined business. If this regulatory clearance is not received, then neither McDermott nor CB&I will be obligated to complete the Combination.

We can provide no assurance that the various closing conditions will be satisfied and that the necessary approvals will be obtained, or that any required conditions will not materially adversely affect the combined business following the Combination. In addition, we can provide no assurance that these conditions will not result in the abandonment or delay of the Combination.

**Failure to complete the Combination, or failure to complete the Combination in the anticipated timeframe, could negatively impact CB&I and McDermott.**

If the Combination is not completed, the ongoing businesses and the market price of the common stock of CB&I and/or McDermott may be adversely affected and CB&I and McDermott will be subject to several risks, including CB&I being required, under certain circumstances, to pay McDermott a termination fee of \$60 million; McDermott being required, under certain circumstances, to pay CB&I a termination fee of \$60 million; CB&I or McDermott having to pay certain costs relating to the Combination; and diverting the focus of management from pursuing other opportunities that could be beneficial to each of CB&I and McDermott, in each case, without realizing any of the benefits which might have resulted had the Combination been completed.

Additionally, completion of the Combination is a requirement of certain of CB&I's indebtedness agreements. There is no guarantee that the Combination will be completed or will be completed within the timeline required by CB&I's indebtedness agreements. The timeline will be affected by events outside of CB&I's and McDermott's control, such as the regulatory approval mentioned above, availability of financing related to the Combination or third party consents, which may be delayed or may not be obtained on acceptable terms. The failure to consummate the Combination within the prescribed timeframe would result in a default under CB&I's debt agreements, and CB&I's debt becoming immediately due, unless further amendments or waivers are obtained.

**The Business Combination Agreement contains restrictions on the ability of each of CB&I and McDermott to pursue other alternatives to the Combination.**

The Business Combination Agreement contains non-solicitation provisions that, subject to limited exceptions, restrict the ability of each of CB&I and McDermott to solicit, initiate or knowingly encourage or facilitate any competing

acquisition proposal. Further, subject to limited exceptions, consistent with applicable law, the Business Combination Agreement provides that the CB&I Boards and the McDermott Board will not withdraw, modify or qualify, or propose publicly to withhold, withdraw, modify or qualify, in any manner adverse to the other party or its affiliates its recommendation that its shareholders or stockholders, as applicable, vote in favor

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of the proposals to be adopted at the CB&I Special General Meeting or the McDermott Special Meeting, as applicable. In specified circumstances, each party has a right to negotiate with the other in order to match any competing acquisition proposals that may be made. Although the CB&I Boards, and the McDermott Board are permitted to take certain actions in response to a superior proposal or an acquisition proposal that is reasonably likely to result in a superior proposal if there is a determination by such Board(s) that the failure to do so would be inconsistent with its fiduciary duties, doing so in specified situations could result in such party paying to the other party a termination fee of \$60 million. See the section entitled *The Business Combination Agreement No Solicitation; Recommendation*, the section entitled *The Business Combination Agreement Termination, Amendment and Waiver Termination* and the section entitled *The Business Combination Agreement Termination, Amendment and Waiver Termination Fee* for a more complete discussion of these restrictions and consequences.

Such provisions could discourage a potential acquiror that might have an interest in making a proposal from considering or proposing any such acquisition, even if it were prepared to pay consideration with a higher value than that to be provided in the Combination. There also is a risk that the requirement to pay the termination fee in certain circumstances may result in a potential acquiror proposing to pay a lower per share price to acquire CB&I than it might otherwise have proposed to pay.

 **Holders of shares of CB&I Common Stock who receive shares of McDermott Common Stock pursuant to the Liquidation rather than the Exchange Offer generally will be subject to Dutch Dividend Withholding Tax.**

Although the consideration to be received by holders of shares of CB&I Common Stock pursuant to the Exchange Offer and the Liquidation is the same, the receipt of McDermott Common Stock pursuant to the Liquidation will be subject to the Dutch Dividend Withholding Tax. Under Dutch law, the Liquidation Distribution will generally be subject to a 15% Dutch dividend withholding tax to the extent it exceeds the recognized paid-up capital (for Dutch dividend withholding tax purposes) of the shares of CB&I Newco Common Stock. Application of the Dutch Dividend Withholding Tax will cause the net value of the consideration to be received by CB&I shareholders in the Liquidation to be less than the net value of the consideration such CB&I shareholders would have received had they tendered their shares of CB&I Common Stock in the Exchange Offer.

Please see the sections entitled *McDermott Common Stock Sale to Satisfy Dutch Dividend Withholding Tax Obligations* and *Material Tax Consequences of the Combination Dutch Dividend Withholding Tax* for additional information.

 **There can be no assurances that holders of shares of CB&I Common Stock will not be required to recognize gain for U.S. federal income tax purposes upon the exchange of shares of CB&I Common Stock for shares of McDermott Common Stock in the Combination.**

Although McDermott and CB&I have agreed to use commercially reasonable efforts to cause the Merger and the related elements of the Combination, taken together, to qualify as one or more *reorganizations* within the meaning of Section 368(a) of the Internal Revenue Code, there can be no assurance that the Merger and related elements of the Combination will so qualify. In addition, the completion of the Combination is not conditioned on qualification as a *reorganization* or upon the receipt of an opinion of counsel or IRS ruling to that effect. U.S. holders (as defined under *Material Tax Consequences of the Combination*) of shares of CB&I Common Stock will be required to recognize gain for U.S. federal income tax purposes on the receipt of shares of McDermott Common Stock if the Merger and the related elements of the Combination, taken together, fail to qualify as one or more *reorganizations* within the meaning of Section 368(a) of the Internal Revenue Code.



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### **Litigation filed against CB&I or McDermott in connection with the Combination could result in an injunction preventing the consummation of the Combination or may adversely affect McDermott's business, financial condition or results of operations following the Combination.**

In January and February 2018, four shareholders of CB&I filed separate lawsuits—three as putative class actions and one on an individual basis—naming CB&I and the members of the CB&I Board of Directors as defendants and alleging violations of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 under the Exchange Act with respect to the registration statement of which this document forms a part. One of the putative class action lawsuits also names as defendants certain subsidiaries of CB&I and McDermott that are parties to the Business Combination Agreement and McDermott as an alleged control person of CB&I, and another also names certain current and former CB&I officers and employees individually. These or any similar litigation proceedings could result in an injunction preventing the consummation of the Combination. In addition, the defense or settlement of any lawsuit or claim that remains unresolved at the time the Combination closes may adversely affect McDermott's business, financial condition or results of operations following the Combination. See "The Combination—Litigation Relating to the Combination" beginning on page 124 for more detail.

### **Risks Relating to the Combined Business Following Completion of the Combination**

#### **McDermott may fail to realize the anticipated benefits of the Combination.**

The success of the Combination will depend on, among other things, McDermott's ability to combine its business with that of CB&I in a manner that facilitates growth opportunities and realizes anticipated synergies. However, McDermott must successfully combine the businesses of McDermott and CB&I in a manner that permits these benefits to be realized. In addition, McDermott must achieve the anticipated synergies without adversely affecting current revenues and investments in future growth. If McDermott is not able to successfully achieve these objectives, the anticipated benefits of the Combination may not be realized fully, or at all, or may take longer to realize than expected.

#### **The combined business could incur substantial expenses related to the Combination and the integration of CB&I and McDermott.**

McDermott and CB&I expect that the combined business will incur substantial expenses in connection with the Combination and the integration of their respective businesses, policies, procedures, operations, technologies and systems. There are a large number of systems that must be integrated, including information management, purchasing, accounting and finance, sales, billing, payroll and benefits, fixed asset and lease administration systems and regulatory compliance. There are a number of factors beyond the control of either party that could affect the total amount or the timing of all of the expected integration expenses. Moreover, many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time. These expenses could, particularly in the near term, reduce the savings that McDermott expects to achieve from the elimination of duplicative expenses and the realization of economies of scale and cost savings and revenue enhancements related to the integration of the businesses following the completion of the Combination, and accordingly, any anticipated net benefits may not be achieved in the near term or at all. These integration expenses may result in the combined business taking significant charges against earnings following the completion of the Combination.

#### **Following the Combination, the combined business may be unable to integrate CB&I's and McDermott's businesses successfully and realize the anticipated benefits of the Combination.**

The Combination involves the combination of two businesses that historically have operated and currently operate as independent public companies.

The success of McDermott's acquisition of CB&I will depend in large part on the success of the management of the combined business in integrating the operations, strategies, technologies and personnel of the two companies following the completion of the Combination. McDermott may fail to realize some or all of the anticipated

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benefits of the Combination if the integration process takes longer than expected or is more costly than expected. The failure of McDermott to meet the challenges involved in successfully integrating the operations of CB&I or to otherwise realize any of the anticipated benefits of the Combination, including additional cost savings and synergies, could impair the operations of McDermott. The combined business will be required to devote management attention and resources to integrating McDermott's and CB&I's business practices and operations, and prior to the completion of the Combination, management attention and resources will be required to plan for such integration.

Potential issues and difficulties the combined business may encounter in the integration process include the following:

the inability to integrate the respective businesses of CB&I and McDermott in a manner that permits the combined business to achieve the cost savings, operating synergies and follow-on opportunities anticipated to result from the Combination, which could result in the anticipated benefits of the Combination not being realized partly or wholly in the time frame currently anticipated or at all;

lost sales and customers as a result of certain customers of either or both of the two companies deciding not to do business with the combined business, or deciding to decrease their amount of business in order to reduce their reliance on a single company;

integrating personnel from the two companies while maintaining focus on safety and providing consistent, high quality products and customer service;

potential unknown liabilities and unforeseen increased expenses, delays or regulatory conditions associated with the Combination; and

performance shortfalls at one or both of the companies as a result of the diversion of management's attention caused by completing the Combination and integrating the companies' operations.

### **Business issues currently faced by one company may be imputed to the operations of the other company.**

To the extent that either McDermott or CB&I currently has or is perceived by customers to have operational challenges, such as on-time performance, quality, safety issues or workforce issues, those challenges may raise concerns by existing customers of the other company following the Combination, which may limit or impede McDermott's future ability to obtain additional work from those customers.

### **Failure to retain key employees and skilled workers could adversely affect McDermott following the Combination.**

McDermott's performance following the Combination could be adversely affected if the combined business is unable to retain certain key employees and skilled workers of CB&I or McDermott. It is possible that these employees may decide not to remain with CB&I or McDermott while the Combination is pending or with the combined business after the Combination is consummated. The loss of the services of one or more of these key employees and skilled workers could adversely affect McDermott's future operating results because of their experience and knowledge of CB&I's business or McDermott's business, as applicable. In addition, current and prospective employees of McDermott and



CB&I may experience uncertainty about their future roles until after the Combination is completed. This may adversely affect the ability of McDermott and CB&I to attract and retain key personnel, which could adversely affect McDermott's performance following the Combination.

**The required regulatory approvals may not be obtained or may contain materially burdensome conditions that could have an adverse effect on McDermott.**

Completion of the Combination is conditioned upon the receipt of certain governmental approvals, including the consent of the Federal Antimonopoly Service of the Russian Federation in connection with the Combination.

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Although McDermott and CB&I have agreed in the Business Combination to use their reasonable best efforts to obtain the requisite governmental approvals, there can be no assurance that these approvals will be obtained. In addition, the governmental authorities from which these approvals are required may impose conditions on the completion of the Combination or require changes to the terms of the Combination.

Under the terms of the Business Combination Agreement, McDermott is not required to take any action or agree to any request or demand, through litigation or otherwise, by any governmental entity or other person with respect to any assets, businesses or product lines of McDermott, CB&I or any of their respective subsidiaries if such action, individually or in the aggregate, would reasonably be expected to have a material adverse effect on the business, assets, results of operations or financial condition of McDermott, CB&I and their respective subsidiaries, taken as a whole. McDermott is required to defend any litigation instituted by a governmental entity or other person with respect to the legality of the Combination under applicable regulatory laws. Please see The Business Combination Agreement Regulatory Approvals Related to the Combination for more information. If McDermott agrees to undertake divestitures or comply with operating restrictions in order to obtain any approvals required to complete the Combination, McDermott may be less able to realize anticipated benefits of the Combination, and the business and results of operations of the combined business after the Combination may be adversely affected.

**In connection with the Combination, the combined business will incur or assume substantial indebtedness, which could adversely affect the combined business, including by inhibiting the combined business flexibility and imposing significant interest expense on the combined business.**

The combined business will have a substantial amount of indebtedness and debt service requirements. As of December 31, 2017, the combined business outstanding indebtedness, assuming that the closing of the Combination had occurred on that date and the anticipated incurrence and assumption and extinguishment of indebtedness in connection therewith had been completed, would have been approximately \$[ ] billion. In addition, the combined business will have significant obligations with respect to the letters of credit, surety bonds and bank guaranties. Such indebtedness and obligations could have the effect, among other things, of inhibiting the combined business flexibility to respond to changing business and economic conditions and imposing significant interest expense. In addition, the amount of cash required to pay interest on the combined business s indebtedness following completion of the Combination, and thus the demands on the combined business s cash resources, will be significant. The levels of indebtedness following completion of the Combination could therefore reduce funds available for working capital, capital expenditures, acquisitions and other general corporate purposes and may create competitive disadvantages for the combined business relative to other companies with lower debt levels. In addition, concerns about the debt levels of the combined business could have an adverse impact on our ability to obtain new contract awards from customers, and on the commercial terms we obtain from customers, including with respect to letter of credit and performance guaranty requirements.

In connection with the debt financing for the Combination, it is anticipated that McDermott will seek ratings of its indebtedness from one or more nationally recognized credit rating agencies. Such credit ratings will reflect each rating organization s opinion of the combined business financial strength, operating performance and ability to meet its debt obligations. Such credit ratings will affect the cost and availability of future borrowings and, accordingly, its cost of capital. There can be no assurance that the combined business will achieve a particular rating or maintain a particular rating in the future.

McDermott may be required to raise additional financing for working capital, capital expenditures, acquisitions or other general corporate purposes. McDermott s ability to arrange additional financing or refinancing will depend on, among other factors, McDermott s financial position and performance, as well as prevailing market conditions and other factors beyond McDermott s control. McDermott cannot assure you that it will be able to obtain additional

financing or refinancing on terms acceptable to McDermott or at all.

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### **The agreements that will govern the indebtedness to be incurred or assumed in connection with the Combination will contain various covenants that impose restrictions on McDermott and certain of its subsidiaries that may affect their ability to operate the combined business.**

The agreements that will govern the indebtedness to be incurred in connection with the Combination may contain various affirmative and negative covenants that will, subject to certain significant exceptions, restrict the ability of McDermott and certain of its subsidiaries to, among other things, have liens on their property, incur indebtedness, make investments and acquisitions, make dividends and other distributions, change the nature of their business, transact business with affiliates, merge or consolidate and sell or convey their assets. In addition, some of the agreements that govern the debt financing will contain covenants that will require McDermott to maintain certain financial ratios. The ability of McDermott and its subsidiaries to comply with these provisions may be affected by events beyond their control. Failure to comply with these covenants could result in an event of default, which, if not cured or waived, could accelerate McDermott's repayment obligations.

### **McDermott is expected to record a significant amount of goodwill as a result of the Combination, and such goodwill could become impaired in the future.**

In accordance with Accounting Standards Codification Topic ASC 805, Business Combinations, the Combination will be accounted for following the acquisition method of accounting for business combinations. McDermott will record net tangible and identifiable intangible assets acquired and liabilities assumed from CB&I at their respective fair values as of the date of the closing of the Combination. Any excess of the purchase price over the fair value of the identifiable assets of CB&I will be recorded as goodwill.

McDermott will be required to assess goodwill for impairment at least annually. To the extent goodwill becomes impaired, McDermott may be required to incur material charges relating to such impairment. Such a potential impairment charge could have a material impact on McDermott's future operating results and statements of financial position.

### **The shares of McDermott Common Stock to be received by CB&I shareholders as a result of the Combination will have different rights from shares of CB&I Common Stock.**

Following completion of the Combination, CB&I shareholders will no longer be shareholders of CB&I but will instead be shareholders of McDermott. McDermott is incorporated in Panama, and is consequently subject to Panamanian corporate law, while CB&I is incorporated in the Netherlands and is thus subject to Dutch corporate law. There are important differences between the rights of CB&I shareholders and the rights of McDermott stockholders under applicable law and the organizational documents for each entity.

Material differences include:

Only shareholders have the power to elect directors of a Dutch company, including to fill any vacancy. McDermott's Articles of Incorporation provide that any director vacancies will be filled only by the McDermott Board, acting by a majority of the then remaining directors, even if less than a quorum.

Under Dutch law, the affirmative vote of a majority of the votes cast on the matter by holders of shares of CB&I Common Stock is required to effectuate a merger or approve the sale of all or substantially all of

CB&I's stock or assets; provided, that, pursuant to CB&I's Articles of Association the adoption of resolutions for a merger, dissolution, liquidation or legal division requires the affirmative vote of at least 80% of all the issued and outstanding shares of CB&I Common Stock if there is a beneficial owner or group of beneficial owners of more than 15% of the issued and outstanding shares of CB&I Common Stock. Under McDermott's Articles of Incorporation, whenever applicable law requires the vote or consent of its stockholders to authorize or approve a sale, lease or exchange of all or substantially all McDermott's property or assets or to adopt or approve an agreement of merger or consolidation of McDermott with or into any other corporation or to merge any other corporation into McDermott, the vote of at least two-thirds of the outstanding capital stock entitled to vote on that transaction is required for any such authorization, adoption or approval.

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Under McDermott's Amended and Restated By-Laws, the presence at a meeting of McDermott stockholders, in person or by proxy, of holders of a majority of the outstanding shares of McDermott Common Stock as of the record date for that meeting generally will constitute a quorum. There are no quorum requirements generally applicable to general meetings of CB&I shareholders, except that Dutch law requires a higher vote for the adoption of certain specific matters if a specified quorum is not present or represented at the CB&I general meeting.

McDermott is subject to Decree No. 45 of December 5, 1977 of the Republic of Panama, which imposes certain restrictions on offers to acquire voting securities of a corporation if, following such acquisition, the acquiror would own more than 5% of the outstanding voting securities with a market value of at least five million Balboas (approximately \$5 million). Dutch law does not include any comparable provision.

See [Comparison of Shareholder Rights](#) for a discussion of the different rights associated with McDermott Common Stock and CB&I Common Stock.

**Other Risks Relating to CB&I and McDermott**

McDermott and CB&I are, and following completion of the Combination, McDermott and its subsidiaries will continue to be, subject to the risks described above. In addition, McDermott is, and will continue to be, subject to the risks described in Part I, Item 1A in McDermott's Annual Report on Form 10-K for the year ended December 31, 2017, filed with the U.S. Securities and Exchange Commission (the SEC) on February 21, 2018, and CB&I is, and will continue to be, subject to the risks described in Part I, Item 1A in CB&I's Annual Report on Form 10-K for the year ended December 31, 2017, filed with the SEC on February 21, 2018, each of which is incorporated by reference into this document. See [Where You Can Find More Information](#) for the location of information incorporated by reference in this document.

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**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

McDermott and CB&I caution that statements in this document which are forward-looking, and provide other than historical information, involve risks, contingencies and uncertainties that may impact actual results of operations of McDermott, CB&I and the combined business. These forward-looking statements include, among other things, statements about anticipated cost and revenue synergies, and other anticipated financial impacts of the Combination; future financial and operating results of the combined business; and the combined business plans, objectives, expectations and intentions with respect to future operations and services. Although we believe that the expectations reflected in those forward-looking statements are reasonable, we can give no assurance that those expectations will prove to have been correct. Those statements are made by using various underlying assumptions and are subject to numerous risks, contingencies and uncertainties, including, among others: the ability of McDermott and CB&I to obtain the regulatory and shareholder approvals necessary to complete the anticipated combination on the anticipated timeline or at all; the risk that a condition to the closing of the anticipated combination may not be satisfied, on the anticipated timeline or at all or that the anticipated combination may fail to close, including as the result of any inability to obtain the financing for the Combination; the outcome of any legal proceedings, regulatory proceedings or enforcement matters that may be instituted relating to the anticipated combination; the costs incurred to consummate the Combination; the possibility that the expected synergies from the anticipated combination will not be realized, or will not be realized within the expected time period; difficulties related to the integration of the two companies, the credit ratings of McDermott following the Combination; disruption from the Combination making it more difficult to maintain relationships with customers, employees, regulators or suppliers; the diversion of management time and attention on the anticipated combination; adverse changes in the markets in which McDermott and CB&I operate or credit markets, the inability of McDermott or CB&I to execute on contracts in backlog successfully, changes in project design or schedules, the availability of qualified personnel, changes in the terms, scope or timing of contracts, contract cancellations, change orders and other modifications and actions by customers and other business counterparties of McDermott and CB&I; or changes in industry norms and adverse outcomes in legal or other dispute resolution proceedings.

The following important factors, in addition to those discussed under Risk Factors and elsewhere in this document and the documents incorporated by reference herein, could affect the future results of the combined business, and could cause those results to differ materially from those expressed in or implied by such forward-looking statements:

the companies ability to realize cost savings from expected performance of contracts, whether as a result of improper estimates, performance, or otherwise;

uncertain timing and funding of new contract awards, as well as project cancellations;

the companies ability to fully realize the revenue value reported in backlog;

cost overruns on fixed price or similar contracts or failure to receive timely or proper payments on cost reimbursable contracts, whether as a result of improper estimates, performance, disputes or otherwise;

risks associated with labor productivity;

risks associated with government contracts that may be subject to modification or termination;

risks associated with percentage-of-completion accounting;

the ability to settle or negotiate unapproved change orders and claims;

changes in the costs or availability of, or delivery schedule for, equipment, components, materials, labor or subcontractors;

adverse impacts from weather affecting the companies' performance and timeliness of completion, which could lead to increased costs and affect the quality, costs or availability of, or delivery schedule for, equipment, components, materials, labor or subcontractors;



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operating risks, including liquidated damages, which could lead to increased costs and affect the quality, costs or availability of, or delivery schedule for, equipment, components, materials, labor or subcontractors;

increased competition;

fluctuating revenue resulting from a number of factors, including a decline in energy prices;

delayed or lower than expected activity in the energy and natural resources industries;

the non-competitiveness or unavailability of, or lack of demand or loss of legal protection for, the companies intellectual property assets or rights;

failure to keep pace with technological changes or innovation;

failure of the companies patents or licensed technologies to perform as expected or to remain competitive, current, in demand, profitable or enforceable;

adverse outcomes of pending claims or litigation or the possibility of new claims or litigation, and the potential effect of such claims or litigation on the companies business, financial position, results of operations and cash flows;

lack of necessary liquidity to provide bid, performance, advance payment and retention bonds, guarantees, or letters of credit securing the companies obligations under their bids and contracts or to finance expenditures prior to the receipt of payment for the performance of contracts;

political and economic conditions including, but not limited to, war, conflict or civil or economic unrest in countries in which the companies operate;

interference from adverse weather or sea conditions;

compliance with applicable laws and regulations in any one or more of the countries in which the companies operate including, but not limited to, the U.S. Foreign Corrupt Practices Act and those concerning the environment, export controls, anti-money laundering and trade sanction programs;

foreign currency risk and the companies inability to properly manage or hedge currency or similar risks;

a downturn, disruption, or stagnation in the economy in general;

McDermott's ability to integrate the operations of CB&I;

the amount and timing of any cost savings, synergies or other efficiencies expected to result from the Combination;

failure to retain key employees and skilled workers;

future and pro forma financial condition or results of operations and future revenues and expenses;

the ability to complete the Combination on the anticipated terms and timetable;

regulatory conditions which may be imposed as a condition to approval of the Combination;

other risks described under the caption "Risk Factors" in McDermott's and CB&I's Annual Reports on Form 10-K for the year ended December 31, 2017 and subsequent Quarterly Reports on Form 10-Q; and

the various risks and other factors considered by the respective boards of McDermott and CB&I as described under "The Combination CB&I's Reasons for the Combination; Recommendation of the CB&I Boards" and under "The Combination McDermott's Reasons for the Combination; Recommendation of the McDermott Board."

If one or more of these risks materialize, or if underlying assumptions prove incorrect, actual results may vary materially from those expected. You should not place undue reliance on forward-looking statements.

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**THE MCDERMOTT SPECIAL MEETING**

**Date, Time and Place**

The McDermott Special Meeting is scheduled to be held on [ ], 2018, at [ ] [a./p.]m., [ ] Time, at [ ].

**Purpose of the McDermott Special Meeting**

The purpose of the McDermott Special Meeting is for the McDermott stockholders to consider and vote on:

a proposed resolution providing for an amendment to the McDermott amended and restated articles of incorporation (the McDermott Articles ) (1) to effect a 3-to-1 reverse stock split of the McDermott Common Stock and (2) to decrease the authorized shares of McDermott Common Stock to 255,000,000 shares (the McDermott Reverse Stock Split Articles Amendment Resolution );

a proposed resolution providing for an amendment to the McDermott Articles to increase the authorized shares of McDermott Common Stock to 765,000,000 shares (the McDermott Authorized Capital Articles Amendment Resolution ); provided that, if adopted, the McDermott Authorized Capital Articles Amendment Resolution will only become effective if the McDermott Reverse Stock Split Articles Amendment Resolution is not adopted at the McDermott Special Meeting;

a proposal to issue shares of McDermott Common Stock in connection with the Exchange Offer (as defined herein) and the Core Transactions (as defined herein), including the issuance pursuant to the Exchangeable Note (as defined herein) (the McDermott Stock Issuance ); and

a proposal to approve the adjournment of the McDermott Special Meeting, if necessary, to solicit additional proxies if there are not sufficient votes to approve the McDermott Stock Issuance and either the McDermott Reverse Stock Split Articles Amendment Resolution or the McDermott Authorized Capital Articles Amendment Resolution (the McDermott Meeting Adjournment ).

**Recommendation of the McDermott Board**

**The McDermott Board has approved and recommends that you vote FOR the McDermott Reverse Stock Split Articles Amendment Resolution, the McDermott Authorized Capital Articles Amendment Resolution, the McDermott Stock Issuance proposal and the McDermott Meeting Adjournment proposal.** For McDermott s reasons for these recommendations, see The Combination McDermott s Reasons for the Combination; Recommendation of the McDermott Board.

**McDermott Record Date; Stockholders Entitled to Vote**

The McDermott Board established [ ], 2018 (the McDermott Record Date ) as the record date for determining stockholders entitled to vote at the McDermott Special Meeting. This means that, if you were a stockholder of record (meaning that you were registered with McDermott s transfer agent and registrar, Computershare Trust Company, N.A.) on the McDermott Record Date, you may vote your shares on the matters to be considered by McDermott s

stockholders at the McDermott Special Meeting. If your shares were held in street name on that date, the broker or other nominee that was the record holder of your shares has the authority to vote them at the McDermott Special Meeting. They have forwarded to you this joint proxy statement/prospectus seeking your instructions on how you want your shares voted.

As of the close of business on the McDermott Record Date, [ ] shares of McDermott Common Stock were outstanding. Each outstanding share of McDermott Common Stock entitles its holder to one vote on each matter to be acted on at the meeting.

As of the close of business on March 1, 2018, the most recent practicable date prior to the date of this document, less than 1.5% of the outstanding shares of McDermott Common Stock were held by McDermott directors and

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executive officers and their affiliates. McDermott's directors and executive officers other than Stephen G. Hanks, who collectively own less than 1.5% of the outstanding shares of McDermott Common Stock, have informed McDermott that they intend, as of the date hereof, to vote their shares in favor of all of the proposals set forth above, although none has entered into any agreements obligating them to do so.

## **Quorum**

The McDermott Special Meeting will be held only if a quorum exists. The presence at the meeting, in person or by proxy, of holders of a majority of the outstanding shares of McDermott Common Stock as of the McDermott Record Date will constitute a quorum. If you attend the meeting or vote your shares using the enclosed proxy card or voting instruction form (including any telephone or Internet voting procedures provided), your shares will be counted toward a quorum, even if you abstain from voting on a proposed resolution. Broker non-votes (*i.e.*, shares held by brokers and other nominees as to which they have not received voting instructions from the beneficial owners and lack the discretionary authority to vote on a proposed resolution) will count for quorum purposes.

## **Vote Required and How Votes Are Counted**

The affirmative vote of the holders of a majority of the shares of McDermott Common Stock outstanding and entitled to vote at the McDermott Special Meeting (meaning that, of the shares of McDermott Common Stock outstanding, excluding treasury shares, a majority must be voted FOR the proposal) is required to approve the McDermott Reverse Stock Split Articles Amendment Resolution and the McDermott Authorized Capital Articles Amendment Resolution. The affirmative vote of the holders of a majority of the votes cast on the matter by holders of shares of McDermott Common Stock present in person or represented by proxy at the McDermott Special Meeting (meaning the number of shares voted FOR the proposal must exceed the number of shares voted AGAINST the proposal plus abstentions) is required to approve the McDermott Stock Issuance proposal. The affirmative vote of the holders of a majority of the shares of McDermott Common Stock present in person or represented by proxy at the meeting, whether or not a quorum is present, is required to approve the McDermott Meeting Adjournment proposal.

You may vote FOR or AGAINST or abstain from voting on each of the proposals. If you submit a signed proxy card without specifying your vote, your shares will be voted FOR the approval of each proposal.

The Combination cannot be completed unless the McDermott stockholders approve the McDermott Stock Issuance and either the McDermott Reverse Stock Split Amendment Resolution or the McDermott Authorized Capital Articles Amendment Resolution.

## **Failure to Vote, Abstentions and Broker Non-Votes**

Failures to vote, abstentions and broker non-votes will have the same effect as votes AGAINST the adoption of the McDermott Reverse Stock Split Articles Amendment Resolution and the adoption of the McDermott Authorized Capital Articles Amendment Resolution. Because failures to vote and broker non-votes are not actual votes cast (assuming that a quorum is present), they will have no effect on the outcome of the vote on the McDermott Stock Issuance proposal. However, under applicable rules of the NYSE, an abstention will have the same effect as a vote AGAINST the McDermott Stock Issuance proposal. Failures to vote by McDermott stockholders that attend the McDermott Special Meeting in person, abstentions and broker non-votes will have the same effect as votes AGAINST the McDermott Meeting Adjournment proposal. Failures to vote by McDermott stockholders not attending the McDermott Special Meeting, in person or by proxy, will have no effect on the McDermott Meeting Adjournment proposal, whether or not a quorum is present.

Under applicable rules of the NYSE, brokers, banks, trusts and other nominees that hold their customers' shares in street name may not vote their customers' shares on non-routine matters without instructions from their

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customers. As each of the proposals to be voted upon at the McDermott Special Meeting is considered non-routine, such organizations do not have discretion to vote on any of the proposals. Accordingly, shares held by brokers or other nominees as to which they have not received voting instructions from the beneficial owners with regard to the vote on a proposed resolution will be treated as broker non-votes. Although broker non-votes will be counted toward a quorum, they will not be entitled to vote on any of the proposals to be voted on at the McDermott Special Meeting.

If you are a stockholder of record and your proxy card is signed and returned without voting instructions, it will be voted according to the recommendations of the McDermott Board.

## **How to Vote your Shares**

If you are a stockholder of record, you can vote your shares in person at the McDermott Special Meeting or vote now by giving your proxy via Internet, telephone or mail. You may give your proxy by following the instructions included in the enclosed proxy card. If you vote using either the telephone or the Internet, you will save McDermott mailing expenses.

By giving your proxy, you will be directing the persons named as proxies in the accompanying proxy card for the McDermott Special Meeting how to vote your shares at the meeting. Even if you plan on attending the McDermott Special Meeting, you are urged to vote now by giving your proxy. This will ensure that your vote is represented at the meeting. If you do attend the McDermott Special Meeting, you can change your vote at that time, if you then desire to do so.

If you are the beneficial owner of shares, but not the holder of record, you should refer to the instructions provided by your broker or nominee for further information. The broker or nominee that holds your shares has the authority to vote them, absent your approval, only as to matters for which they have discretionary authority under the applicable NYSE rules. None of the proposals for the McDermott Special Meeting are considered routine matters. This means that brokers or nominees may not vote your shares with respect to those matters if they have not been given specific instructions as to how to vote. Please be sure to give specific voting instructions to your broker or nominee.

You should have received a voting instruction form from your broker or nominee that holds your shares. For shares of which you are the beneficial owner but not the holder of record, follow the instructions contained in the voting instruction form to vote by Internet, telephone or mail. If you want to vote your shares in person at the McDermott Special Meeting, you must obtain a valid proxy from your broker or nominee. You should contact your broker or nominee or refer to the instructions provided by your broker or nominee for further information. Additionally, the availability of telephone or Internet voting depends on the voting process used by the broker or nominee that holds your shares.

**Your vote is important. Accordingly, please sign and return the enclosed proxy card whether or not you plan to attend the McDermott Special Meeting in person.**

## **Confidential Voting**

All voted proxies and ballots will be handled to protect your voting privacy as a stockholder. Your vote will not be disclosed except:

to meet any legal requirements;

in limited circumstances such as certain proxy contests;

to permit independent inspectors of election to tabulate and certify your vote; or

to adequately respond to your written comments on your proxy card.



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### **Shares Held in the Thrift Plan**

If your shares are held through the McDermott Thrift Plan and you have requested printed versions of these materials, Vanguard Fiduciary Trust Company ( Vanguard ), the trustee of that plan, has sent you this joint proxy statement/prospectus and you can instruct Vanguard on how to vote your plan shares. Your voting instructions must be received no later than 11:59 p.m., Eastern time, on [ ], 2018. Any shares of McDermott Common Stock held in the McDermott Thrift Plan for which Vanguard does not receive timely voting instructions will be voted in the same proportion as the shares for which Vanguard receives timely voting instructions from other participants in the McDermott Thrift Plan.

### **Tabulation of Votes**

A representative of Broadridge Financial Solutions, Inc. will serve as the inspector of election for the McDermott Special Meeting. The inspector will, among other matters, determine the number of shares represented at the McDermott Special Meeting to confirm the existence of a quorum and tabulate votes cast.

### **Solicitation of Votes**

Directors, present and former officers and other employees of McDermott may solicit proxies by telephone, facsimile or mail, or by meetings with stockholders or their representatives. McDermott will reimburse brokers, banks or other custodians, nominees and fiduciaries for their charges and expenses in forwarding proxy material to beneficial owners. McDermott has retained MacKenzie Partners, Inc. to assist with the solicitation of proxies for the McDermott Special Meeting for a fee not to exceed \$75,000, plus reimbursement for out-of-pocket expenses. All expenses of solicitation of proxies will be borne by McDermott.

### **Adjournments**

Whether or not a quorum is present at the McDermott Special Meeting, such meeting may be adjourned from time to time by the vote of the holders of a majority of the shares of McDermott Common Stock present in person or represented by proxy at the McDermott Special Meeting, provided that the McDermott Meeting Adjournment proposal is adopted.

### **Proposal No. 1: McDermott Reverse Stock Split Articles Amendment**

McDermott proposes an amendment to the McDermott Articles, by the adoption of the formal resolution attached as Annex E to this joint proxy statement/prospectus: (1) to effect a 3-to-1 reverse stock split of the McDermott Common Stock prior to the Exchange Offer Effective Time (as defined herein); and (2) to decrease the authorized shares of McDermott Common Stock to 255,000,000 shares, an amount sufficient to enable the McDermott Stock Issuance, assuming the effectiveness of the McDermott Reverse Stock Split.

### ***Purpose***

The McDermott Board approved the McDermott Reverse Stock Split because the McDermott Reverse Stock Split is expected to have the effect of bringing the share price of the McDermott Common Stock to a level that is more consistent with recent historical share prices for the CB&I Common Stock and the share prices of several companies listed on the NYSE that are comparable to the combined McDermott/CB&I. Also, the decrease in authorized shares of McDermott Common Stock is intended to preserve the current percentage of authorized shares of McDermott Common Stock that are neither outstanding nor reserved for issuance pursuant to currently outstanding share-based

incentive awards (as a percentage of the total authorized shares of McDermott Common Stock) of approximately 26%, after giving effect to the Combination.

***Principal Effects of the Reverse Stock Split; Effective Time***

Upon the effectiveness of the amendment to the McDermott Articles effecting the McDermott Reverse Stock Split, the shares of McDermott Common Stock outstanding immediately prior to such time will be combined into

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a smaller number of shares, such that a McDermott stockholder will own one share of McDermott Common Stock for each three shares of McDermott Common Stock held by that stockholder immediately prior to such time, subject to the treatment of fractional share interests described below. Also, as a result of the Reverse Stock Split, the number of shares of McDermott Common Stock that would be issued in the Combination pursuant to the McDermott Stock Issuance will be reduced to one-third of the number of shares that would be so issued if the Reverse Stock Split had not been effected. Additionally, the form of the certificate of amendment to the McDermott Articles to effect the McDermott Reverse Stock Split will decrease the authorized shares of McDermott Common Stock to 255,000,000 shares.

The certificate of amendment to the McDermott Articles effecting the McDermott Reverse Stock Split is set forth in Annex E to this joint proxy statement/prospectus. If the McDermott Stock Split Articles Amendment Resolution is adopted, the McDermott Reverse Stock Split will be effected at 11:59 p.m. (New York City time) on the date immediately prior to the date of the Exchange Offer Effective Time and will affect all of McDermott's then existing stockholders uniformly, subject to the treatment of fractional share interests described below.

### ***Risks Associated with the McDermott Reverse Stock Split***

There are risks associated with the McDermott Reverse Stock Split, including that the McDermott Reverse Stock Split may not result in a corresponding increase in the per share price of McDermott Common Stock.

McDermott cannot predict the extent to which the McDermott Reverse Stock Split will increase the market price for shares of McDermott Common Stock. The history of similar reverse stock split combinations for other companies is varied. There can be no assurance that:

the market price per share of McDermott Common Stock after the McDermott Reverse Stock Split will rise in proportion to the reduction in the number of shares of McDermott Common Stock after the McDermott Reverse Stock Split;

the McDermott Reverse Stock Split will result in a per share price that will attract additional investors; or

the McDermott Reverse Stock Split will result in increased trading volume in McDermott Common Stock. The market price of McDermott Common Stock will be based on the performance of McDermott and other factors, many of which are unrelated to the number of shares outstanding. If the McDermott Reverse Stock Split is effected and the market price of McDermott Common Stock declines, the percentage decline as an absolute number and as a percentage of the overall market capitalization of McDermott may be greater than would occur in the absence of the McDermott Reverse Stock Split. Furthermore, the liquidity of McDermott Common Stock could be adversely affected by the reduced number of shares that would be outstanding after the McDermott Reverse Stock Split. The McDermott Reverse Stock Split may also increase the number of stockholders who own odd lots of McDermott Common Stock, which may result in higher trading costs for such stockholders.

### ***Treatment of Fractional Shares***

No fractional shares will be issued if, as a result of the McDermott Reverse Stock Split, a holder of record of shares of McDermott Common Stock would otherwise become entitled to a fractional share. Instead, any fractional share

interest resulting from the McDermott Reverse Stock Split will be rounded up to the nearest whole share.

***Record and Beneficial McDermott Stockholders***

If the McDermott Reverse Stock Split is effected, McDermott stockholders of record holding some or all of their shares of McDermott Common Stock electronically in book-entry form under the direct registration system for

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securities will receive a transaction statement at their address of record indicating the number of shares of McDermott Common Stock they hold after the McDermott Reverse Stock Split. Other stockholders holding shares of McDermott Common Stock through a bank, broker or other nominee should note that such banks, brokers or other nominees may have different procedures for processing the McDermott Reverse Stock Split than those that would be put in place by McDermott for its holders of record. If you hold your shares with such a bank, broker or other nominee and if you have questions in this regard, you are encouraged to contact your bank, broker or nominee.

If the McDermott Reverse Stock Split is effected, McDermott stockholders of record holding some or all of their shares in certificate form will receive a letter of transmittal, as soon as practicable after the effective date of the McDermott Reverse Stock Split. McDermott expects that its transfer agent will act as exchange agent for the purpose of implementing the exchange of stock certificates. Holders of pre-reverse-stock-split shares will be asked to surrender to the exchange agent certificates representing pre-reverse-stock-split shares in exchange for post-reverse-stock-split shares. Until surrender, each certificate representing shares of McDermott Common Stock before the McDermott Reverse Stock Split would continue to be valid and would represent the adjusted number of shares based on the ratio of the McDermott Reverse Stock Split rounded up to the nearest whole share. No new shares will be issued to a McDermott stockholder until such stockholder has surrendered such stockholder's outstanding certificate(s) together with the properly completed and executed letter of transmittal to the exchange agent.

**MCDERMOTT STOCKHOLDERS SHOULD NOT DESTROY ANY PRE-REVERSE STOCK SPLIT STOCK CERTIFICATES AND SHOULD NOT SUBMIT ANY SUCH CERTIFICATES UNTIL THEY ARE REQUESTED TO DO SO.**

### ***Accounting Consequences***

The par value per share of McDermott Common Stock will remain unchanged at \$1.00 per share after the McDermott Reverse Stock Split. As a result, on the effective date of the McDermott Reverse Stock Split, the stated capital on McDermott's balance sheet attributable to McDermott Common Stock will be reduced proportionally, based on the ratio of the McDermott Reverse Stock Split and the capital in excess of par value account will be credited with the amount by which the stated capital is reduced. Earnings per share will be increased because there will be fewer shares of McDermott Common Stock outstanding. The shares of McDermott Common Stock held in treasury, will also be reduced proportionately based on the ratio of the McDermott Reverse Stock Split. McDermott will restate prior period per share amounts for the effect of the McDermott Reverse Stock Split for any prior periods in McDermott's financial statements and reports, such that prior period amounts will be stated on a basis that is comparable to the current period presentation. McDermott does not anticipate that any other accounting consequences will arise as a result of the McDermott Reverse Stock Split.

### ***No Appraisal Rights***

McDermott's stockholders are not entitled to dissenters' or appraisal rights with respect to the McDermott Reverse Stock Split.

### ***Material U.S. Federal Income Tax Consequences of the McDermott Reverse Stock Split***

The following is a discussion of material U.S. federal income tax consequences of the McDermott Reverse Stock Split to McDermott and to U.S. holders (as defined below) of shares of McDermott Common Stock. The discussion is based on and subject to the Internal Revenue Code, the U.S. Treasury Regulations promulgated thereunder, administrative guidance and court decisions as of the date of this document, all of which are subject to change, possibly with retroactive effect, and to differing interpretations. This discussion only addresses U.S. holders that hold

their shares of McDermott Common Stock as capital assets within the meaning of Section 1221 of the Internal Revenue Code (generally, property held for investment).

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This discussion does not constitute tax advice and does not address all aspects of U.S. federal income taxation that may be relevant to U.S. holders of McDermott Common Stock in light of their personal circumstances, including any tax consequences arising under the Medicare contribution tax on net investment income or the alternative minimum tax, or to U.S. holders that are subject to special treatment under the Internal Revenue Code, including, for example:

banks, thrifts, mutual funds and other financial institutions;

real estate investment trusts and regulated investment companies;

traders in securities who elect to apply a mark-to-market method of accounting;

brokers or dealers in securities;

tax-exempt organizations and governmental organizations;

insurance companies;

individual retirement and other deferred accounts;

holders whose functional currency is not the U.S. dollar;

U.S. expatriates and former citizens and residents of the United States;

any person that owns, actually or constructively, 5% or more of (1) the total combined voting power of all shares of classes of McDermott capital stock entitled to vote or (2) the total value of shares of all classes of capital stock of McDermott;

holders who hold their shares as part of a straddle, conversion, constructive sale or other risk reduction transaction;

subchapter S corporations and other pass-through entities; and

holders who received their shares of McDermott Common Stock through the exercise of employee stock options or otherwise as compensation or through a tax-qualified retirement plan.

No rulings will be sought from the U.S. Internal Revenue Service (the IRS) with respect to the McDermott Reverse Stock Split, and there can be no assurance that the IRS will not assert (or that a court will not sustain) a position that is contrary to the tax consequences described below. The following discussion does not address any non-income tax considerations or any non-U.S., state or local tax consequences.

For purposes of this discussion, a U.S. holder means a beneficial owner of shares of McDermott Common Stock that, for U.S. federal income tax purposes, is:

an individual who is a citizen or resident of the United States;

a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in the United States or under the laws of the United States or any subdivision thereof;

an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

a trust if (1) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (2) it has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

If an entity or arrangement that is treated as a partnership for U.S. federal income tax purposes holds shares of McDermott Common Stock, the tax treatment of a partner in that partnership will generally depend upon the status of the partner and the activities of the partnership. A U.S. holder that is a partnership and the partners in such partnership are urged to consult their tax advisors about the U.S. federal income tax consequences of the McDermott Reverse Stock Split.



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**THIS DISCUSSION IS NOT TAX ADVICE. ALL HOLDERS OF SHARES OF MCDERMOTT COMMON STOCK ARE URGED TO CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MCDERMOTT REVERSE STOCK SPLIT TO THEM IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, AS WELL AS ANY TAX CONSEQUENCES OF THE MCDERMOTT REVERSE STOCK SPLIT ARISING UNDER THE U.S. FEDERAL TAX LAWS OTHER THAN THOSE PERTAINING TO INCOME TAX, INCLUDING ESTATE OR GIFT TAX LAWS, OR UNDER ANY STATE, LOCAL OR NON-U.S. TAX LAWS OR UNDER ANY APPLICABLE INCOME TAX TREATY.**

It is the opinion of Baker Botts L.L.P. that the McDermott Reverse Stock Split will qualify as a reorganization under Section 368 of the Internal Revenue Code. The opinion of Baker Botts L.L.P. is and will be based, in part, on customary factual assumptions set forth in its opinion attached as Exhibit 8.1 to the registration statement of which this joint proxy statement/prospectus forms a part. If any of the factual assumptions on which such opinion is based are inaccurate as of the effective time of the McDermott Reverse Stock Split, the tax consequences could differ materially from those described below.

The McDermott Reverse Stock Split will qualify as a reorganization under Section 368 of the Internal Revenue Code. If the McDermott Reverse Stock Split qualifies as a reorganization, then, generally, for U.S. federal income tax purposes, no gain or loss will be recognized by McDermott in connection with the McDermott Reverse Stock Split, and no gain or loss will be recognized by U.S. holders in connection with the exchange of their pre-reverse-stock-split shares for post-reverse-stock-split shares. The aggregate tax basis of the post-reverse-stock-split shares received by a U.S. holder in the McDermott Reverse Stock Split will be the same as the aggregate tax basis in the pre-reverse-stock-split shares surrendered by such U.S. holder. The holding period for the post-reverse-stock-split shares received by a U.S. holder in the McDermott Reverse Stock Split will include the period during which the pre-reverse-stock-split shares surrendered by such U.S. holder in the McDermott Reverse Stock Split were held.

As noted above, any fractional share interest resulting from the McDermott Reverse Stock Split will be rounded up to the nearest whole share. The U.S. federal income tax consequences of the receipt of such an additional fraction of a share of McDermott Common Stock is not clear. It is possible that the receipt of such an additional fraction of a share of McDermott Common Stock may be treated as a distribution taxable as a dividend or as an amount received in exchange for McDermott Common Stock. U.S. holders are urged to consult their tax advisors if they will receive such an additional fraction of a share of McDermott Common Stock.

***Proposed Resolution***

The McDermott Board recommends that McDermott stockholders approve the following resolution:

RESOLVED, that, effective as of 11:59 P.M. (New York City time) on the date immediately prior to the date of the occurrence of the Exchange Offer Effective Time, as defined in the proxy statement provided by the Corporation to its stockholders in connection with the special meeting of stockholders of the Corporation held on [ ], 2018, the first sentence of Article 3 of the Amended and Restated Articles of Incorporation of the Corporation shall be amended by amending and restating the first sentence thereof and adding a new paragraph to immediately follow such first sentence, in each case to read as follows:

3. The total number of shares of all classes of capital stock which the Corporation shall have authority to issue is Two-hundred-and-eighty million (280,000,000) shares, of which Two-hundred-and-fifty-five million (255,000,000) shares shall be Common Stock of the par value of ONE DOLLAR (\$1.00 U.S.) per share and twenty-five-million (25,000,000) shares shall be Preferred Stock of the par value of ONE DOLLAR (\$1.00 U.S.) per share.

Effective as of 11:59 P.M. (New York City time) on the date immediately prior to the date of the occurrence of the Exchange Offer Effective Time, as defined in the proxy statement provided by the Corporation to its

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stockholders in connection with the special meeting of stockholders of the Corporation held on [ ], 2018 (the Effective Time ), each three (3) shares of the Corporation's Common Stock issued and outstanding immediately prior to the Effective Time shall automatically and without any further action of the Corporation or the respective holders thereof be combined into one (1) validly issued, fully paid and non-assessable share of the Corporation's Common Stock; provided, however, that no fractional shares will be issued in connection with such combination, and any fractional share interest resulting therefrom shall be rounded up to the nearest whole share; provided, further that the provisions of this paragraph shall not affect the number or the par value of authorized shares of the Corporation's Common Stock. Each certificate that immediately prior to the Effective Time represented shares of the Corporation's Common Stock ( Old Certificates ) shall thereafter represent that number of shares of the Corporation's Common Stock into which the shares of Common Stock represented by the Old Certificate shall have been combined, subject to the treatment of fractional share interests as described above.

The McDermott Reverse Stock Split Articles Amendment Resolution requires the affirmative vote of the holders of a majority of the shares of McDermott Common Stock outstanding and entitled to vote at the McDermott Special Meeting (meaning that, of the shares of McDermott Common Stock outstanding, a majority must be voted FOR the proposal). A failure to vote, an abstention or a broker non-vote will have the same effect as a vote AGAINST the McDermott Reverse Stock Split Articles Amendment Resolution.

**The Combination cannot be completed unless the McDermott stockholders approve either the McDermott Reverse Stock Split Amendment Resolution or the McDermott Authorized Capital Articles Amendment Resolution.**

**The McDermott Board recommends that you vote FOR the McDermott Reverse Stock Split Articles Amendment Resolution.**

**Proposal No. 2: McDermott Authorized Capital Articles Amendment Resolution**

In the event that the McDermott Reverse Stock Split Articles Amendment Resolution is not approved at the McDermott Special Meeting, McDermott proposes an amendment to the McDermott Articles, by the adoption of the formal resolution attached as Annex F to this joint proxy statement/prospectus, in order to increase McDermott's authorized capital to 765,000,000 shares of McDermott Common Stock, an amount sufficient to enable the McDermott Stock Issuance. In addition, as is the case with the McDermott Reverse Stock Split Articles Amendment Resolution, the change in the number of authorized shares of McDermott Common Stock that would result from the adoption of the McDermott Authorized Capital Articles Amendment Resolution is intended to preserve the current percentage of authorized shares of McDermott Common Stock that are neither outstanding nor reserved for issuance pursuant to currently outstanding share-based incentive awards (as a percentage of the total authorized shares of McDermott Common Stock) of approximately 26%, after giving effect to the Combination.

The McDermott Board recommends that McDermott stockholders approve the following resolution; provided that, if adopted, the amendment to the McDermott Articles set forth in such resolution will only become effective if the McDermott Reverse Stock Split Articles Amendment Resolution is not adopted at the McDermott Special Meeting:

RESOLVED, that, effective immediately prior to the Exchange Offer Effective Time, as defined in the proxy statement provided by the Corporation to its stockholders in connection with the special meeting of stockholders of the Corporation held on [ ], 2018, the first sentence of Article 3 of the Amended and Restated Articles of Incorporation of the Corporation shall be amended and restated to read in its entirety as follows:

3. The total number of shares of all classes of capital stock which the Corporation shall have authority to issue is Seven-hundred-and-ninety million (790,000,000) shares, of which Seven-hundred-and-sixty-five

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million (765,000,000) shares shall be Common Stock of the par value of ONE DOLLAR (\$1.00 U.S.) per share and twenty-five million (25,000,000) shares shall be Preferred Stock of the par value of ONE DOLLAR (\$1.00 U.S.) per share.

The McDermott Authorized Capital Articles Amendment Resolution requires the affirmative vote of the holders of a majority of the shares of McDermott Common Stock outstanding and entitled to vote at the McDermott Special Meeting (meaning that, of the shares of McDermott Common Stock outstanding, a majority must be voted **FOR** the proposal). A failure to vote, an abstention or a broker non-vote will have the same effect as a vote **AGAINST** the McDermott Authorized Capital Articles Amendment Resolution.

**The Combination cannot be completed unless the McDermott stockholders approve either the McDermott Reverse Stock Split Amendment Resolution or the McDermott Authorized Capital Articles Amendment Resolution.**

**The McDermott Board recommends that you vote **FOR** the McDermott Authorized Capital Articles Amendment Resolution.**

### **Proposal No. 3: McDermott Stock Issuance**

McDermott proposes the issuance of shares of McDermott Common Stock in exchange for all shares of CB&I Common Stock in connection with the Combination at an exchange ratio of 2.47221 shares of McDermott Common Stock or, if the McDermott Reverse Stock Split has occurred prior to the date on which the Exchange Offer Effective Time occurs, 0.82407 shares of McDermott Common Stock (the **Exchange Offer Ratio** ).

Subject to certain limited exceptions, Section 312.03(c) of the NYSE Listed Company Manual requires that McDermott stockholders approve any issuance of shares of McDermott Common Stock in any transaction or series of related transactions if: (1) such shares will have, upon issuance, voting power equal to or in excess of 20% of the voting power of the outstanding shares of McDermott Common Stock before the issuance; or (2) the number of shares to be issued is equal to or in excess of 20% of the number of shares of McDermott Common Stock outstanding before the issuance. The number of shares of McDermott Common Stock issuable in connection with the Combination is expected to exceed both of these thresholds.

The McDermott Board recommends that McDermott stockholders approve the McDermott Stock Issuance proposal.

The McDermott Stock Issuance proposal requires the affirmative vote of the holders of a majority of the votes cast on the matter by holders of shares of McDermott Common Stock present in person or represented by proxy at the McDermott Special Meeting (meaning the number of shares voted **FOR** the proposal must exceed the number of shares voted **AGAINST** the proposal plus abstentions). Under applicable NYSE rules, an abstention from voting will have the same effect as a vote **AGAINST** the McDermott Stock Issuance proposal. Because a failure to vote and broker non-votes are not actual votes with respect to the McDermott Stock Issuance proposal (assuming that a quorum is present), they will have no effect on the outcome of the vote on this proposal.

**Approval of the McDermott Stock Issuance proposal is a condition to closing the Combination.**

**The McDermott Board recommends that you vote **FOR** the McDermott Stock Issuance proposal.**

### **Proposal No. 4: The McDermott Meeting Adjournment**

The McDermott Special Meeting may be adjourned to another time and place to permit further solicitation of proxies, if necessary, to obtain additional votes to approve the McDermott Stock Issuance proposal and either the McDermott Reverse Stock Split Articles Amendment Resolution or the McDermott Authorized Capital Articles

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Amendment Resolution. McDermott currently does not intend to propose adjournment of the McDermott Special Meeting if there are sufficient votes to approve either combination of those proposals. McDermott is asking you to authorize the holder of any proxy solicited by the McDermott Board to vote in favor of any adjournment of the McDermott Special Meeting, if necessary, to solicit additional proxies if there are not sufficient votes to approve either combination of those proposals at the time of the McDermott Special Meeting.

The McDermott Meeting Adjournment proposal requires the affirmative vote of the holders of a majority of the shares of McDermott Common Stock present in person or represented by proxy at the meeting, whether or not a quorum is present. Failures to vote by McDermott stockholders that attend the McDermott Special Meeting in person, abstentions and broker non-votes will have the same effect as votes AGAINST the McDermott Meeting Adjournment proposal. Failures to vote by McDermott stockholders not attending the McDermott Special Meeting, in person or by proxy, will have no effect on the McDermott Meeting Adjournment, whether or not a quorum is present.

**The McDermott Board recommends that you vote FOR the McDermott Meeting Adjournment proposal.**

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**THE CB&I SPECIAL GENERAL MEETING**

**Date, Time and Place**

The CB&I Special General Meeting is scheduled to be held on [ ], 2018, at [ ] [a./p.]m., [ ] Time, at [ ].

**Purpose of the CB&I Special General Meeting**

The purpose of the CB&I Special Meeting is for the CB&I shareholders to consider and vote on the following proposals:

a resolution providing for an amendment to CB&I's amended and restated articles of association as set forth in Annex G attached hereto to remove the supermajority voting requirement for certain resolutions when any person, alone or together with a group, holds more than fifteen percent (15%) of the outstanding share capital of CB&I (the Articles Amendment Resolution );

a resolution to enter into and effectuate the Merger (as defined herein) in accordance with the Merger Proposal (as defined in the Business Combination Agreement) (the Merger Resolution );

(a) a resolution to approve the acquisition by certain subsidiaries of McDermott of the equity of certain CB&I subsidiaries that own CB&I's technology business, for cash (to the extent required by law), and (b) a resolution to approve the sale by Comet I B.V., a direct wholly owned subsidiary of CB&I ( CB&I Newco ), of all of the issued and outstanding shares in the capital of Comet II B.V. to McDermott Technology, B.V., a wholly owned subsidiary of McDermott (or its designee) (together, the Sale Resolutions );

a resolution to, effective as of the Share Sale Effective Time (as defined herein), (a) approve the dissolution of CB&I Newco, (b) approve the appointment of Stichting Vereffening Chicago Bridge & Iron Company as liquidator of CB&I Newco and (c) approve the appointment of (an affiliate of) McDermott Technology, B.V. as the custodian of the books and records of CB&I Newco in accordance with Section 2:24 of the Dutch Civil Code (the Liquidation Resolutions );

a resolution to, effective as of the Exchange Offer Effective Time (as defined herein), grant full and final discharge to each member of the CB&I Boards for his or her acts of supervision or management, as applicable, up to the date of the CB&I Special General Meeting (the Discharge Resolutions ); and

a proposal to approve, by non-binding advisory vote, the compensation that may become or has become payable to CB&I's named executive officers in connection with the Combination (the Compensation Resolution ).

Unless the context otherwise requires, references to shareholders refer to those who on the record date are, and are registered in the CB&I Share Register (as defined below) as, holders of shares of CB&I Common Stock or others with meeting rights under Dutch law with respect to shares of CB&I Common Stock.



### **Recommendation of the CB&I Boards**

**The CB&I Boards have approved and recommend that you vote FOR the Articles Amendment Resolution, the Merger Resolution, the Sale Resolutions, the Liquidation Resolutions, the Discharge Resolutions and the Compensation Resolution and accept the Exchange Offer.** For CB&I's reasons for these recommendations, see The Combination CB&I's Reasons for the Combination; Recommendation of the CB&I Boards.

### **CB&I Record Date; Shareholders Entitled to Vote**

The CB&I management board established [ ], 2018 (the CB&I Record Date ) as the record date for determining shareholders entitled to vote at the CB&I Special General Meeting. This means that, if you were a

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shareholder of record (meaning that you were registered in the CB&I share register as referred to in section 2:85 of the Dutch Civil Code, part of which is kept by Computershare Trust Company, N.A. on behalf of CB&I (the CB&I Share Register )) on the CB&I Record Date, you may vote your shares on the matters to be considered by CB&I s shareholders at the CB&I Special General Meeting, even if you already tendered your shares in the Exchange Offer. If your shares were held in street name on that date, the broker or other nominee that was the record holder of your shares has the authority to vote them at the CB&I Special General Meeting. They have forwarded to you this joint proxy statement/prospectus seeking your instructions on how you want your shares voted.

As of the close of business on the CB&I Record Date, [ ] shares of CB&I Common Stock were outstanding. Each outstanding share of CB&I Common Stock entitles its holder to one vote on each matter to be acted on at the meeting.

As of the close of business on March 1, 2018, the most recent practicable date prior to the date of this joint proxy statement/prospectus, less than 1% of the outstanding shares of CB&I Common Stock were held by CB&I directors and executive officers and their affiliates. CB&I s directors and executive officers have informed CB&I that they intend, as of the date hereof, to vote their shares in favor of all of the proposals set forth above, although none has entered into any agreements obligating them to do so.

## **Quorum**

CB&I does not have a quorum requirement. However, if less than fifty percent (50%) of the outstanding share capital of CB&I is present at the CB&I Special General Meeting, in person or by proxy, the applicable voting standard for the Merger Resolution increases from an affirmative majority of the votes cast on the matter to at least two-thirds of the votes cast on the matter as described below. If you attend the CB&I Special General Meeting or vote your shares using the enclosed proxy card or voting instruction form (including any telephone or Internet voting procedures provided), your shares will be counted as present, even if you abstain from voting on a particular matter. Broker non-votes (i.e., shares held by brokers and other nominees as to which they have not received voting instructions from the beneficial owners and lack the discretionary authority to vote on a proposed resolution) will not be counted as present.

## **Vote Required and How Votes Are Counted**

The affirmative vote of a majority of the votes cast on the matter by holders of shares of CB&I Common Stock outstanding and entitled to vote at the CB&I Special General Meeting (meaning the number of shares voted FOR the proposal must exceed the number of shares voted AGAINST the proposal) is required to approve the Articles Amendment Resolution, the Sale Resolutions, the Liquidation Resolutions, the Discharge Resolutions and the Compensation Resolution at the CB&I Special General Meeting.

Assuming the Articles Amendment Resolution is adopted and implemented and so long as at least fifty percent (50%) of the issued and outstanding CB&I share capital is present at the CB&I Special General Meeting, in person or by proxy, the affirmative vote of a majority of the votes cast on the matter by holders of shares of CB&I Common Stock outstanding and entitled to vote at the CB&I Special General Meeting (meaning the number of shares voted FOR the proposal must exceed the number of shares voted AGAINST the proposal) is required to approve the Merger Resolution. If less than fifty percent (50%) of the issued and outstanding CB&I share capital is present at the CB&I Special General Meeting, in person or by proxy, the affirmative vote of at least two-thirds of the votes cast on the matter by holders of shares of CB&I Common Stock outstanding and entitled to vote at the CB&I Special General Meeting is required to approve the Merger Resolution.

However, if the Articles Amendment Resolution is not adopted at the CB&I Special General Meeting and there is a person that alone or together with a group (beneficially) holds more than fifteen percent (15%) of the issued and outstanding share capital of CB&I, the affirmative vote of at least eighty percent (80%) of the shares of

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CB&I Common Stock outstanding is required to approve the Merger Resolution. In such case, failures to vote by CB&I shareholders, whether or not they attend the CB&I Special General Meeting in person or by proxy, abstentions and broker non-votes will have the same effect as votes **AGAINST** the adoption of the Merger Resolution.

The Combination cannot be completed unless the CB&I shareholders approve the Merger Resolution, the Sale Resolutions (to the extent required by applicable law), the Liquidation Resolutions and the Discharge Resolutions.

### **Failure to Vote, Abstentions and Broker Non-Votes**

Failures to vote by CB&I shareholders that attend the CB&I Special General Meeting in person or by proxy, failures to vote by CB&I shareholders that do not attend the CB&I Special General Meeting in person or by proxy, abstentions and broker non-votes are not considered votes cast and therefore will have no effect on the outcome of the proposals; provided, that, if the Articles Amendment Resolution is not adopted at the CB&I Special General Meeting and there is a person that alone or together with a group (beneficially) holds more than fifteen percent (15%) of the issued and outstanding share capital of CB&I at the time of the CB&I Special General Meeting, failures to vote by CB&I shareholders, whether or not they attend the CB&I Special General Meeting in person or by proxy, abstentions and broker non-votes will have the same effect as votes **AGAINST** the adoption of the Merger Resolution.

If you are a shareholder of record of shares of CB&I Common Stock and your proxy card is signed and returned without voting instructions, it will be voted according to the recommendations of the CB&I Boards.

If you are the beneficial owner, but not the holder of record, of shares of CB&I Common Stock and fail to provide voting instructions, your broker or other holder of record may not vote on the proposals and no votes will be cast on your behalf with respect to those matters.

### **How to Vote your Shares**

If you are a shareholder of record registered in the CB&I Share Register, you may vote your shares in person by attending the CB&I Special General Meeting, or vote now by giving your proxy via Internet or mail. You may give your proxy by following the instructions included in the enclosed proxy card. If you vote using the Internet, you will save CB&I mailing expenses.

Admittance of shareholders and acceptance of written voting proxies shall be governed by Dutch law. Only shareholders registered in the CB&I Share Register as of the record date, or such shareholders' proxies, who have requested that the holder of the CB&I Share Register (either the CB&I Management Board or Computershare Trust Company, N.A.) notify CB&I by [ ], 2018 of his or her or his or her proxy's intention to attend the CB&I Special General Meeting, may attend the CB&I Special General Meeting. The notice must state the name and number of shares the person will represent at the CB&I Special General Meeting. All attendees must be prepared to identify themselves with a valid proof of identity for admittance.

If you are not a shareholder of record registered in the CB&I Share Register, you may not attend the CB&I Special General Meeting without the invitation of the chairman of the CB&I Supervisory Board. You may vote now by giving your proxy via Internet, telephone or mail. You may give your proxy by following the instructions included in the enclosed proxy card. If you vote using either the telephone or the Internet, you will save CB&I mailing expenses.

**Your vote is important. Accordingly, please sign and return the enclosed proxy card whether or not you plan to attend the CB&I Special General Meeting in person.**



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### **Confidential Voting**

All voted proxies and ballots will be handled to protect your voting privacy as a stockholder. Your vote will not be disclosed except:

to meet any legal requirements;

in limited circumstances such as certain proxy contests;

to permit independent inspectors of election to tabulate and certify your vote; or

to adequately respond to your written comments on your proxy card.

### **Tabulation of Votes**

A representative of Broadridge Financial Solutions, Inc. will serve as the inspector of election for the CB&I Special General Meeting. The inspector will, among other matters, determine the number of shares represented at the CB&I Special General Meeting and tabulate votes cast.

### **Solicitation of Votes**

Directors, present and former officers and other employees of CB&I may solicit proxies by telephone, facsimile or mail, or by meetings with shareholders or their representatives. CB&I will reimburse brokers, banks or other custodians, nominees and fiduciaries for their charges and expenses in forwarding proxy material to beneficial owners. CB&I has retained Innisfree M&A Incorporated to assist with the solicitation of proxies for the CB&I Special General Meeting for a fee not to exceed \$[ ], plus reimbursement for out-of-pocket expenses. All expenses of solicitation of proxies will be borne by CB&I.

### **Reconvened Meeting**

The CB&I Special General Meeting may be canceled and reconvened, in accordance with the provisions of the Business Combination Agreement.

### **Proposal No. 1: CB&I Articles Amendment**

It is proposed that CB&I amend its articles of association in the form attached as Annex G to this joint proxy statement/prospectus to remove the supermajority voting requirement for certain resolutions when any person (alone or together with a group) holds more than fifteen percent (15%) of the outstanding share capital of CB&I. You should read Annex G carefully and in its entirety. The amendment will become effective immediately and shall be executed immediately after the adoption of this resolution and prior to adopting any other resolution at the CB&I Special General Meeting.

CB&I proposes that the CB&I shareholders approve the amendment to its articles of association.

The Articles Amendment Resolution requires the affirmative vote of a majority of the votes cast on the matter by holders of shares of CB&I Common Stock outstanding and entitled to vote at the CB&I Special General Meeting (meaning the number of shares voted FOR the proposal must exceed the number of shares voted AGAINST the proposal).

**Approval of this proposal is not a condition to completion of the Combination.**

**The CB&I Boards recommend that CB&I shareholders vote FOR the Articles Amendment Resolution.**

**Proposal No. 2: Merger Resolution**

It is proposed that, promptly following the Exchange Offer Effective Time (as defined herein), CB&I will merge with and into Comet II B.V. ( CB&I Newco Sub ) in a legal triangular merger (juridische driehoeksfusie) (the

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Merger ), resulting in each holder of outstanding shares of CB&I Common Stock holding a number of shares in the capital of CB&I Newco equal to the number of shares of CB&I Common Stock held by such holder of shares of CB&I Common Stock immediately prior to the completion of the Merger.

CB&I, CB&I Newco and CB&I Newco Sub will effectuate the Merger promptly following the Exchange Offer Effective Time in order to ensure that the Merger becomes effective at midnight Amsterdam time (being either 6:00 p.m. New York City time, or 7:00 p.m., New York City time) on the date the Exchange Offer Effective Time occurs. We refer to the effective time of the Merger as the Merger Effective Time.

CB&I proposes that CB&I shareholders approve a resolution to enter into and effectuate the Merger in accordance with the Merger Proposal (as defined in the Business Combination Agreement).

The Merger Resolution requires the affirmative vote of a majority of the votes cast on the matter by holders of shares of CB&I Common Stock outstanding and entitled to vote at the CB&I Special General Meeting (meaning the number of shares voted FOR the proposal must exceed the number of shares voted AGAINST the proposal). However, if less than fifty percent (50%) of the issued and outstanding CB&I share capital is present at the CB&I Special General Meeting, in person or by proxy, the affirmative vote of at least two-thirds of the votes cast on the matter by holders of shares of CB&I Common Stock outstanding and entitled to vote at the CB&I Special General Meeting is required to approve the Merger Resolution.

However, if the Articles Amendment Resolution is not adopted at the CB&I Special General Meeting and there is a person that alone or together with a group (beneficially) holds more than fifteen percent (15%) of the issued and outstanding share capital of CB&I, the affirmative vote of at least eighty percent (80%) of the shares of CB&I Common Stock outstanding is required to approve the Merger Resolution.

**The Combination cannot be completed unless the CB&I shareholders approve the Merger Resolution.**

**The CB&I Boards recommend that CB&I shareholders vote FOR the Merger Resolution.**

### **Proposal No. 3: Sale Resolutions**

#### ***The CB&I Technology Acquisition***

It is proposed that McDermott Technology (2), B.V. and McDermott Technology (3), B.V. will acquire, for cash certain subsidiaries of CB&I (as specified in the Business Combination Agreement), and each of McDermott Technology (Americas), LLC and McDermott Technology (US), LLC will acquire for cash 50% of certain subsidiaries of CB&I (as specified in the Business Combination Agreement) (the CB&I Technology Acquisition ). Together, these acquired entities operate CB&I s technology business (primarily consisting of CB&I s former Technology reportable segment and its Engineered Products Operations, representing a portion of its Fabrication Services reportable segment). It is proposed that the cash proceeds to be paid by such McDermott entities pursuant to the CB&I Technology Acquisition in the aggregate amount of \$2.65 billion will be used to fund the repayment of all the outstanding funded indebtedness of CB&I and its subsidiaries and to provide for future working capital needs of those entities (or their successors).

CB&I proposes that CB&I shareholders approve the CB&I Technology Acquisition.

#### ***The Share Sale***



It is proposed that, immediately following the Merger Effective Time, CB&I Newco will transfer all of the issued and outstanding shares in the capital of CB&I Newco Sub (the surviving entity in the Merger) to McDermott Bidco in exchange for an exchangeable note issued by McDermott Bidco (the Exchangeable Note ) (which will be mandatorily exchangeable for shares of McDermott Common Stock other than to the extent any portion of the Exchangeable Note is distributed to McDermott Bidco or any other controlled affiliate of McDermott) (the

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Share Sale ). In connection therewith, it is proposed that, immediately following the Merger Effective Time, McDermott Bidco, CB&I Newco and CB&I Newco Sub will enter into a notarial deed of transfer of shares pursuant to which all issued and outstanding shares in the capital of CB&I Newco Sub will be transferred by CB&I Newco to McDermott Bidco or its designated nominee at such time and such transfer will be acknowledged by CB&I Newco Sub. We refer to the effective time of such execution and acknowledgement as the Share Sale Effective Time.

CB&I proposed the CB&I shareholders approve the Share Sale.

The Sale Resolutions require the affirmative vote of a majority of the votes cast on the matter by holders of shares of CB&I Common Stock outstanding and entitled to vote at the CB&I Special General Meeting (meaning the number of shares voted FOR the proposal must exceed the number of shares voted AGAINST the proposal).

**The Combination cannot be completed unless the CB&I shareholders approve the Sale Resolutions.**

**The CB&I Boards recommend that CB&I shareholders vote FOR the Sale Resolutions.**

### **Proposal No. 4: The Liquidation Resolutions**

It is proposed to dissolve and subsequently liquidate CB&I Newco (the Liquidation ), making one or more advance liquidation distributions such that each holder of shares of CB&I Common Stock not tendered in the Exchange Offer (each a, CB&I Newco Public Shareholder ) will receive, as a liquidation distribution, a number of shares of McDermott Common Stock equal to the product of (a) the Exchange Offer Ratio (as defined herein) and (b) the number of shares of CB&I Newco Common Stock held by such shareholder at such time (with cash paid in lieu of any fractional shares of McDermott Common Stock as described below) (the Liquidation Distribution ), subject to applicable withholding taxes, including the Dutch Dividend Withholding Tax.

CB&I proposes that CB&I shareholders, effective as of the Share Sale Effective Time, (1) approve the dissolution of CB&I Newco, (2) approve the appointment of Stichting Vereffening Chicago Bridge & Iron Company as liquidator of CB&I Newco and (3) approve the appointment of (an affiliate of) McDermott Bidco as the custodian of the books and records of CB&I Newco in accordance with Section 2:24 of the Dutch Civil Code.

The Liquidation Resolutions require the affirmative vote of a majority of the votes cast on the matter by holders of shares of CB&I Common Stock outstanding and entitled to vote at the CB&I Special General Meeting (meaning the number of shares voted FOR the proposal must exceed the number of shares voted AGAINST the proposal).

**The Combination cannot be completed unless the CB&I shareholders approve the Liquidation Resolutions.**

**The CB&I Boards recommend that CB&I shareholders vote FOR the Liquidation Resolutions.**

### **Proposal No. 5: The Discharge Resolution**

It is proposed that each of the current members of the CB&I Boards be granted full and final discharge in respect of his or her acts of management or supervision, as applicable, up to the date of the CB&I Special General Meeting, except for acts as a result of fraud (*bedrog*), gross negligence (*grove schuld*) or willful misconduct (*opzet*) of such member.

The discharge for each director's acts of management or supervision, as applicable, up to the date of the CB&I Special General Meeting will be effective as of the Exchange Offer Effective Time (as defined herein) and granted for the

performance of their duties, on the basis of the information provided to the general meeting through publicly available information prior to the date of the CB&I Special General Meeting.

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The Discharge Resolution requires the affirmative vote of a majority of the votes cast on the matter by holders of shares of CB&I Common Stock outstanding and entitled to vote at the CB&I Special General Meeting (meaning the number of shares voted FOR the proposal must exceed the number of shares voted AGAINST the proposal).

**The Combination cannot be completed unless the CB&I shareholders approve the Discharge Resolution.**

**The CB&I Boards recommend that CB&I shareholders vote FOR the Discharge Resolution.**

### **Proposal No. 6: The Compensation Resolution**

The Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted in July 2010, requires that CB&I provide shareholders with the opportunity to cast a non-binding, advisory vote on the compensation that may become payable to CB&I's named executive officers in connection with the Combination, as disclosed in this joint proxy statement/prospectus, including as described in The Combination Interests of CB&I's Directors and Executive Officers in the Combination. This vote is commonly referred to as a golden parachute say on pay vote. This non-binding, advisory proposal relates only to already existing contractual obligations of CB&I that may result in a payment to CB&I's named executive officers in connection with, or following, the consummation of the Combination, and does not relate to any new compensation or other arrangements between CB&I's named executive officers and McDermott. Further, this proposal does not relate to any compensation arrangement that may become applicable to CB&I's directors or executive officers who are not named executive officers.

As an advisory vote, this proposal is not binding upon CB&I or the CB&I Boards, and approval of this proposal is not a condition to completion of the Combination. The vote on executive compensation payable in connection with the Combination is a vote separate and apart from the other proposals put for resolution at the CB&I Special General Meeting. Accordingly, you may vote to approval such other resolutions and vote not to approve the advisory proposal concerning the Combination-related compensation for CB&I's named executive officers and vice versa. Because the vote is advisory in nature only, it will not be binding on CB&I. To the extent that CB&I is contractually obligated to pay the compensation, such compensation will be payable, subject only to the conditions applicable thereto, regardless of the outcome of the advisory vote. These payments are a part of CB&I's comprehensive executive compensation program and are intended to align CB&I's named executive officers' interests with yours as stockholders by ensuring their continued retention and commitment during critical events such as the Combination, which may create significant personal uncertainty for them.

The Compensation Resolution requires the affirmative vote of a majority of the votes cast on the matter by holders of shares of CB&I Common Stock outstanding and entitled to vote at the CB&I Special General Meeting (meaning the number of shares voted FOR the proposal must exceed the number of shares voted AGAINST the proposal).

**Approval of this proposal is not a condition to completion of the Combination.**

**The CB&I Boards recommend that CB&I shareholders vote FOR the Compensation Resolution.**

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**THE COMBINATION**

**Structure of the Combination**

Pursuant to the Business Combination Agreement, which was entered into on December 18, 2017 and amended on January 24, 2018, McDermott and CB&I have agreed to combine their businesses through a series of transactions preceded by an exchange offer. Accordingly, under the Business Combination Agreement, and subject to the terms and conditions of the Business Combination Agreement:

McDermott Bidco will launch an offer to exchange any and all issued and outstanding shares of CB&I Common Stock for shares of McDermott Common Stock (the Exchange Offer ) at the Exchange Offer Ratio, with the completion of the Exchange Offer to occur prior to the Merger Effective Time;

Certain subsidiaries of McDermott, namely McDermott Technology (2), B.V., McDermott Technology (3), B.V., McDermott Technology (Americas), LLC and McDermott Technology (US), LLC, will complete the CB&I Technology Acquisition, pursuant to which they will acquire for cash the equity of the CB&I subsidiaries that own CB&I's technology business, no later than immediately prior to the Exchange Offer Effective Time;

McDermott Bidco will complete the Exchange Offer;

CB&I, CB&I Newco and CB&I Newco Sub will complete the Merger, pursuant to which CB&I will merge with and into CB&I Newco Sub, with: (1) CB&I Newco Sub continuing as a wholly owned subsidiary of CB&I Newco; (2) CB&I shareholders that do not validly tender in (or who properly withdraw their shares of CB&I Common Stock from) the Exchange Offer becoming shareholders of CB&I Newco as a result of their shares being exchanged for shares of CB&I Newco; and (3) McDermott Bidco becoming a shareholder of CB&I Newco, as a result of any shares it will have accepted for exchange in the Exchange Offer being exchanged for shares of CB&I Newco;

McDermott Bidco and CB&I Newco will complete the Share Sale, as a result of which CB&I Newco Sub will become an indirect subsidiary of McDermott through the sale of all of the outstanding shares in the capital of CB&I Newco Sub to McDermott Bidco in exchange for the Exchangeable Note; and

CB&I Newco will complete the Liquidation, pursuant to which it will be dissolved and liquidated, and as a result of which former CB&I shareholders who do not validly tender in (or who properly withdraw their shares of CB&I Common Stock from) the Exchange Offer and, as a result of the Merger, become CB&I Newco shareholders, will be entitled to receive, in respect of each former share of CB&I Common Stock, upon completion of the Liquidation, 2.47221 shares of McDermott Common Stock, or, if the McDermott Reverse Stock Split (as defined below) has occurred prior to the date on which the Exchange Offer Effective Time (as defined below) occurs, 0.82407 shares of McDermott Common Stock, together with cash in lieu of fractional shares. The consideration per share of CB&I Common Stock to be received pursuant to the Core

Transactions is the same as the Exchange Offer Ratio, except that the receipt of shares of McDermott Common Stock and cash in lieu of fractional shares pursuant to the Liquidation generally will be subject to Dutch Dividend Withholding Tax (see the sections entitled McDermott Common Stock Sale to Satisfy Dutch Dividend Withholding Tax Obligations and Material Tax Consequences of the Combination Dutch Dividend Withholding Tax for more information).

Upon completion of the Combination, McDermott will be the holding company of the combined group. CB&I Newco Sub, the successor entity to CB&I as a result of the Merger, will be a direct wholly owned subsidiary of McDermott Bidco, which will remain a direct wholly owned subsidiary of McDermott. The former shareholders of CB&I, whether as a result of the Core Transactions or by tendering shares in the Exchange Offer, will become stockholders of McDermott.

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For additional details on the CB&I Technology Acquisition, the Exchange Offer, the Merger, the Share Sale, certain Pre-Liquidation Transactions (concerning the Exchangeable Note), and the Liquidation, see [The Business Combination Agreement](#) under the corresponding headings.

## **Financing of the Combination**

In connection with the Business Combination Agreement, McDermott entered into or received the Commitment Letters from the Commitment Parties, pursuant to which the Commitment Parties have committed to provide, subject to the terms and conditions set forth therein, the Senior Credit Facilities in an aggregate amount of \$4.45 billion and the Bridge Facilities in an aggregate amount of up to \$1.5 billion, the availability of which will be subject to reduction upon the issuance of the Notes pursuant to the terms set forth in the Commitment Letters.

## **Background of the Combination**

As part of their ongoing evaluation of CB&I's business and long-term strategic goals and plans and the management of CB&I's short- and long-term liabilities, the CB&I Boards and senior management periodically review, consider and assess, in the context of CB&I's operations, financial performance and industry conditions, potential financial and strategic alternatives. Recently, this process had led to CB&I's divestiture of certain non-core businesses, including the 2016 sale of its nuclear construction business and the 2017 sale of its capital services business. During the first half of 2017, CB&I senior management began to consider the possibility of a partial or whole spin-off or sale of CB&I's technology and engineered products business (the [Technology Sale](#)) as a method of raising capital to repay a portion of CB&I's outstanding long-term indebtedness, and began to discuss the potential Technology Sale with certain of CB&I's existing lenders and noteholders in the context of seeking amendments to certain terms of CB&I's outstanding indebtedness. In addition, members of CB&I's senior management conducted preliminary discussions with representatives of an industrial services company about a potential strategic combination. These discussions did not result in any specific deal terms being discussed or any offers being extended.

In each of February and May 2017, CB&I entered into amendments to the terms of certain of CB&I's outstanding indebtedness due to CB&I's inability to comply with certain financial covenants and other requirements under such indebtedness. Without such amendments, CB&I would have been in default with respect to its outstanding financial indebtedness, causing it to accelerate and become immediately due and payable. In connection with the May 2017 amendments, CB&I granted liens on substantially all of its assets, including the assets of CB&I's technology and engineered products businesses, to the holders of CB&I's outstanding indebtedness, with the result that such indebtedness became secured on a first lien basis.

In early June 2017, CB&I determined that there was risk that CB&I might again be unable to comply with certain covenants contained in CB&I's outstanding indebtedness. If a default occurred, such indebtedness would become immediately due and payable, potentially requiring CB&I to seek protection under the bankruptcy laws. To address this risk, the CB&I Supervisory Board initially considered an offering of CB&I equity securities, but concluded that there was substantial risk that such an offering was unlikely to provide sufficient liquidity to CB&I. After further consideration by the audit committee of the CB&I Supervisory Board, CB&I determined to explore a sale of CB&I's technology and engineered products businesses together (which is collectively referred to in this discussion as the [technology business](#)), with the intention and expectation of generating sufficient sales proceeds to pay off CB&I's outstanding indebtedness.

On July 17-18, 2017, the CB&I Supervisory Board held a meeting, attended by members of CB&I's senior management, as well as by representatives of an internationally recognized financial institution (the [Technology Sale Advisor](#)), to discuss a potential Technology Sale. The members of CB&I's senior management who participated in the

meeting included Patrick Mullen, CB&I's chief executive officer, Michael Taff, CB&I's chief financial officer, and Kirsten B. David, Executive Vice President and Chief Legal Officer of CB&I, each of whom is also a member of the management board of sole member of the CB&I Management Board and each of



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whom participated in each meeting of the CB&I Supervisory Board during the period from July 17 through December 18, 2017. Following this meeting, CB&I again sought to obtain relief from CB&I's existing lenders and noteholders and, as part of those negotiations, began discussions with the lenders and noteholders about its proposed plan to sell the technology business. The CB&I Supervisory Board also discussed matters related to the negotiations with the creditor group, CB&I's liquidity and strategic alternatives, including matters related to a potential bankruptcy filing of CB&I, and the Technology Sale. Subsequent to this meeting, CB&I, together with K&L Gates, CB&I's legal advisor in connection with the negotiations with the creditor group at the time, negotiated amendments to the credit facilities and note purchase agreements with CB&I's lenders and noteholders, under which CB&I would obtain relief from certain covenants but would be required to make significant concessions and commitments to the creditor group (the August Amendments). Among other things, including numerous changes to the financial covenants applicable to CB&I, the August Amendments would require CB&I to commit to commencing a process to sell the technology business, to conduct such process on a specified, compressed timetable, and to enter into a definitive agreement for a Technology Sale no later than December 8, 2017 and consummate the Technology Sale no later than December 27, 2017. These dates were subject to potential extensions if agreed to by the creditor group. The August Amendments also would require CB&I to pursue a full strategic review of CB&I and its subsidiaries in light of the planned Technology Sale, with the assistance of FTI Consulting (FTI) and other advisors, and to present the results of such review to the creditor group. The August Amendments also would require CB&I, as part of this strategic review, to consider and make a full analysis of the possibility of CB&I and its subsidiaries seeking protection under applicable bankruptcy laws, and require CB&I to take preparatory steps in the event that filing for such protection was ultimately required or was determined by the CB&I Boards to be the best alternative for CB&I and its stakeholders. The CB&I Supervisory Board believed that the technology business could likely be sold for consideration and on terms that would enable CB&I to repay or refinance CB&I's then existing indebtedness, which would result in significant relief from the requirements and covenants of the existing indebtedness and the August Amendments. The CB&I Supervisory Board also recognized that CB&I could experience additional near-term liquidity constraints that would not be alleviated by the August Amendments and recognized that there could be no assurance that CB&I would be successful in selling the technology business on satisfactory terms, on the prescribed timetable, or at all. The CB&I Supervisory Board took into account its duty to consider the interests of CB&I and all of its stakeholders, including its creditors. After further consideration and assessment of the alternatives, the CB&I Supervisory Board determined that entry into the August Amendments was CB&I's only realistic alternative other than a filing for bankruptcy protection, which would not have been in the best interest of CB&I's shareholders, and, accordingly, determined to approve entry into the August Amendments.

In late July, CB&I retained the Technology Sale Advisor as financial advisor in connection with the potential Technology Sale and Wachtell, Lipton, Rosen & Katz (Wachtell Lipton) was retained as legal counsel in connection with the potential Technology Sale and other strategic matters that might arise or be considered by CB&I.

As part of McDermott's strategic growth program, the McDermott Board and McDermott senior management regularly evaluate operational and strategic opportunities that may be beneficial to stockholders of McDermott. As a result of these evaluations, McDermott had identified CB&I as a potentially strategically beneficial merger partner or acquisition target. In July, having noted a decline in CB&I's share price that potentially would make a merger with or acquisition of CB&I economically feasible, McDermott determined to contact CB&I to determine CB&I's potential interest in a transaction. In late July, Stuart Spence, McDermott's chief financial officer, contacted Mr. Taff to request a meeting.

On July 25, 2017, Mr. Spence met with Mr. Taff. At that meeting, Mr. Spence raised the possibility of a business combination between McDermott and CB&I. Following the discussion, Mr. Taff indicated he would discuss the idea with CB&I's management team and Supervisory Board and revert to Mr. Spence in the future. No specific transaction terms were proposed at this meeting. Mr. Taff promptly discussed this meeting with Mr. Mullen, and Messrs. Mullen

and Taff discussed the meeting with Mr. Richard Flury, Chairman of the CB&I Supervisory Board, and other members of the CB&I Supervisory Board.

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In August 2017, CB&I engaged Centerview Partners LLC ( Centerview ) to act as a financial advisor with respect to the possible business combination and related financing matters. At that time, CB&I also retained Kirkland & Ellis, LLP ( Kirkland & Ellis ) to act as legal counsel in connection with matters relating to the CB&I s existing indebtedness and consideration, as required by the August Amendments, of CB&I s financial alternatives, including the legal, timing and business implications of a bankruptcy filing by CB&I in the event that a bankruptcy filing were to become necessary, which at the time CB&I s management viewed as unlikely.

On August 9, 2017, CB&I entered into the August Amendments and made a public announcement of its earnings for the second quarter of 2017 and of its intention to pursue the Technology Sale and implement significant cost savings. The earnings announcement reflected significant additional charges with respect to certain of CB&I s ongoing construction projects and a suspension of CB&I s dividend.

Following CB&I s public announcement, on August 11, 2017, Messrs. Spence and Taff had a brief telephone call, initiated by Mr. Spence, to further discuss a possible business combination and discuss the upcoming introductory meeting between the two companies chief executive officers.

On August 14, 2017, Mr. Mullen and David Dickson, McDermott s chief executive officer, had an introductory meeting by telephone concerning the potential for a business combination of CB&I and McDermott. During this call, Mr. Dickson indicated McDermott s interest in a transaction, and that McDermott contemplated a no- or low-premium merger of equals -type transaction that would result in a combined company that would create more value for each party s shareholders than either party could generate on a standalone basis. No specific transaction terms were proposed.

On August 15, 2017, CB&I and McDermott entered into a mutual nondisclosure confidentiality agreement to facilitate confidential negotiations and due diligence.

On August 16, 2017, the CB&I Supervisory Board held a telephonic meeting attended by members of CB&I s senior management and representatives of Centerview. The CB&I Supervisory Board received an update on the planning process for the potential Technology Sale and discussed next steps and also was informed of CB&I s discussions with McDermott.

On August 17, 2017, Messrs. Spence and Taff spoke by telephone to further discuss a process for exploring a possible business combination between McDermott and CB&I, including logistics for a meeting between members of senior management of CB&I and McDermott and their respective financial advisors.

On August 22, 2017, members of senior management of CB&I and representatives of Centerview met with members of senior management of McDermott and representatives of its financial advisors, Goldman Sachs & Co. LLC ( Goldman Sachs ) and Greenhill & Co., LLC ( Greenhill ), in The Woodlands, Texas, to discuss the possibility of a combination between CB&I and McDermott. At that meeting, the companies each shared high-level business and financial information and discussed the merits of a potential business combination and worked on a plan to complete mutual due diligence.

On August 25, 2017, Mr. Dickson advised the McDermott Board of the discussions to date between representatives of McDermott and CB&I.

On August 31, 2017, John M. Freeman, Senior Vice President, General Counsel and Corporate Secretary of McDermott, and Kirsten B. David, Executive Vice President and Chief Legal Officer of CB&I, spoke by telephone regarding preliminary due diligence. Following this call and through December 2017, Mr. Freeman, other

representatives of McDermott, Ms. David and respective advisors of McDermott and CB&I met in person or spoke by telephone on multiple occasions to conduct due diligence.

In early September 2017, the Technology Sale Advisor began outreach to potential purchasers of the technology business. CB&I ultimately entered into confidentiality agreements with more than 30 potentially interested

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parties, including both strategic and financial buyers. Around this time, CB&I began sharing a management presentation with respect to the technology business with those potential buyers that had executed confidentiality agreements with CB&I.

On September 6, 2017, Messrs. Dickson and Mullen spoke by telephone to discuss their respective views regarding the industrial logic of a business combination transaction between the two companies.

On September 11, 2017, Mr. Dickson provided an update to the McDermott Board on the status of discussions concerning the potential business combination.

On September 13, 2017, members of management of McDermott met with members of management of CB&I in Houston, Texas to conduct mutual due diligence, and to discuss the scale and nature of potential synergies a business combination between the two companies could generate. The parties each preliminarily estimated that a combination of the two companies could result in annualized cost synergies in the range of in excess of \$200 million, but agreed that further analysis and information was needed in order to refine the parties' estimate.

On September 14, 2017, the CB&I Supervisory Board held a telephonic meeting attended by representatives of Centerview, Wachtell Lipton and Kirkland & Ellis. The CB&I Supervisory Board received an update on the potential Technology Sale and generally discussed potential strategic alternatives that might be available to CB&I. In addition, members of CB&I senior management discussed with the CB&I Supervisory Board the outreach from McDermott with respect to a potential business combination between CB&I and McDermott and described the interactions with McDermott to date, and discussed potential next steps. CB&I's advisors also discussed with the CB&I Supervisory Board other aspects of the strategic review mandated by the August Amendments, including information regarding the legal, timing and business implications of a bankruptcy filing by CB&I, and discussed and agreed to pursue preparatory steps that would be required in order to position CB&I to provide the best outcome for its stakeholders in the event a bankruptcy filing were to become necessary.

On September 19, 2017, Messrs. Dickson and Mullen met for breakfast to discuss the status of the potential business combination between CB&I and McDermott and for a preliminary discussion of social and organizational issues, such as composition of the management and board of directors of the post-merger combined company and treatment of the parties' respective employees.

On September 25, 2017, the McDermott Board held a regularly scheduled meeting in Dubai, U.A.E., attended by representatives of Goldman Sachs and Greenhill. Members of McDermott senior management discussed potential strategic options available to McDermott in connection with the pursuit of its growth strategy in general, including organic growth and incremental or more significant acquisitions, particularly in light of recent consolidation in McDermott's industry. In addition, members of McDermott management made a specific presentation regarding a potential business combination with CB&I, interactions with CB&I to date and potential next steps.

On September 27, 2017, the deadline for the submission of initial indications of interest in the Technology Sale process, CB&I received proposals from eight potential buyers of the technology business. The total consideration in such indications of interest ranged from approximately \$1.2 billion to approximately \$3 billion. Following discussion with the CB&I Supervisory Board and CB&I's financial and legal advisors, CB&I invited five parties to continue in the Technology Sale process, including the opportunity to be provided access to an online data room and to conduct further due diligence on the technology business.

On September 29, 2017, Mr. Dickson sent a letter to Mr. Mullen setting out a preliminary, nonbinding proposal for a business combination between CB&I and McDermott, in an all-stock transaction in which former CB&I shareholders

would receive McDermott shares representing approximately 46% of McDermott's total outstanding shares on a pro forma basis. The letter indicated that the board of directors of the combined company would include current members of each of the McDermott Board and the CB&I Supervisory Board, in proportion

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to the relative stake in the combined company held by each company's former stockholders, and that the management of the combined business would be drawn from both CB&I and McDermott.

On October 2, 2017, the CB&I Supervisory Board held a telephonic meeting, attended by members of CB&I's senior management and representatives of Centerview, FTI, Wachtell Lipton and Kirkland & Ellis, to review and discuss the proposal from McDermott, as well as potential responses and next steps. The CB&I Supervisory Board also received an update on the status of the Technology Sale and discussed the initial bids that had been received, noting that, while certain of the bids were at potentially attractive prices, there were concerns with each bid that would need to be addressed, including concerns about the ability of certain bidders to obtain required regulatory approvals either on a timely basis or at all, the potential requirement of certain bidders that a solvency opinion for CB&I be obtained in connection with the Technology Sale, and the ability of certain bidders to obtain the required financing to complete the Technology Sale and fund the purchase price. In addition, the CB&I Supervisory Board discussed CB&I's ongoing funding requirements and the need to further evaluate CB&I's liquidity needs following a Technology Sale.

On October 3, 2017, Messrs. Dickson and Mullen had a telephonic conversation to discuss CB&I's initial views on McDermott's September 29 proposal. Mr. Mullen indicated that CB&I found McDermott's proposal to be constructive and potentially of interest, but also indicated that the CB&I Supervisory Board had expressed some dissatisfaction with the 46% sharing ratio. Mr. Mullen did not make a counterproposal, preferring to wait to see how the bids developed in the Technology Sale.

On October 5, 2017, Gary Luquette, Chairman of the McDermott Board, and Mr. Flury spoke by telephone to discuss a potential strategic combination of the two companies and possible timing and next steps with respect to McDermott's September 29 proposal. Following this conversation, Messrs. Luquette and Flury maintained direct communications and spoke by telephone on several occasions during October and November 2017.

On October 6, 2017 and October 9, 2017, members of CB&I and McDermott management met in Houston, Texas in order to discuss their respective businesses and outlook, and otherwise discuss the potential business combination.

On October 9, 2017, Messrs. Dickson and Mullen had a telephonic conversation to again discuss the status of the proposed business combination, transaction structure, industrial logic, the status of CB&I's potential Technology Sale, the prospects for obtaining the financing that would be necessary in connection with a merger between McDermott and CB&I, including to repay CB&I's existing indebtedness and to finance the combined company's operations, and social and organizational issues, such as composition of the management and board of directors of the post-merger combined company and treatment of the parties' respective employees. Following this conversation, Messrs. Dickson and Mullen maintained direct communications and spoke by telephone on several occasions during October and November 2017.

On October 10, 2017, Messrs. Spence and Taff spoke by telephone to discuss transaction structure, considerations regarding possible financing structure and due diligence. Following this conversation, Messrs. Spence and Taff maintained direct communications and spoke by telephone on several occasions during October and November 2017.

On October 11, 2017 and October 12, 2017, the CB&I Supervisory Board held a regularly scheduled meeting in Houston, Texas, attended by members of CB&I's senior management and on October 12, 2017 by representatives of Centerview, FTI, Wachtell Lipton and Kirkland & Ellis. The CB&I Supervisory Board received an update on the discussions with McDermott and on the progress of the Technology Sale, and reviewed the current status of CB&I's evaluation of its strategic alternatives, including, as mandated by the August Amendments, a bankruptcy filing or potential options to meet CB&I's liquidity needs.

Beginning in mid-October 2017, Wachtell Lipton and Baker Botts L.L.P. ( Baker Botts ), outside legal counsel to McDermott, together with De Brauw Blackstone Westbroek ( De Brauw ), CB&I s Netherlands counsel, and



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NautaDutilh, McDermott's Netherlands counsel, began to negotiate the structure and other non-price terms of a potential business combination between McDermott and CB&I. These negotiations continued through December 16.

In mid-October 2017, representatives of CB&I's advisors approached one of the bidders in the Technology Sale process to gauge that bidder's potential interest in a strategic business combination with CB&I in lieu of an acquisition solely of the technology business. These discussions did not progress past the preliminary stages, and the bidder indicated that it was not interested in pursuing a transaction with CB&I other than an acquisition of the technology business. During the summer and fall of 2017, including following CB&I's public announcement of its intention to pursue the Technology Sale, none of the parties approached in connection with the Technology Sale, and no other company or potential acquirer outside of the group that was approached in connection with the Technology Sale, contacted CB&I concerning a potential acquisition of, or merger or strategic combination with, CB&I, and CB&I did not approach any other parties. CB&I, in consultation with its financial advisors, believed that the group of potential counterparties approached in connection with the Technology Sale comprised all or most of the companies and entities that would reasonably have been expected to have an interest in a strategic transaction with CB&I, that CB&I's public announcements regarding the Technology Sale would likely have led any potentially interested party to approach CB&I directly, and that rumors of any efforts to seek an alternative transaction could negatively impact the Technology Sale process. Accordingly, CB&I did not approach any other parties.

On October 20, 2017, the McDermott Board held a telephonic special meeting attended by representatives of Goldman Sachs, Greenhill, Moelis & Co. ( Moelis ), McDermott's advisor with respect to the financing of the potential business combination, and Baker Botts. Members of McDermott management provided an update on the potential business combination and discussed next steps.

On October 24-26 and October 30, 2017, members of McDermott and CB&I management met in Houston, Texas in order to discuss their respective businesses and outlook and detailed business, financial and legal due diligence matters, as well as to discuss the scale and nature of potential synergies related to costs and revenues that could result from a business combination between the two companies. With respect to synergies, the parties agreed that further analysis and information was needed in order to refine the parties' views.

On October 28, 2017, the McDermott Board held a telephonic special meeting attended by representatives of Goldman Sachs, Greenhill, Moelis and Baker Botts. Members of McDermott management provided an update on the potential business combination and discussed next steps.

On October 31, 2017 and November 3, 2017, Messrs. Dickson and Mullen met in Houston, Texas to discuss the potential terms of a business combination, including social and organizational issues, such as the composition of a combined company's board of directors and the makeup of a combined company's management team.

On November 1, 2017, Messrs. Luquette and Flury spoke by telephone to discuss the status and timing of the potential business combination.

On November 2, 2017, the McDermott Board held a regularly scheduled meeting in Houston, Texas, attended by representatives of Goldman Sachs, Greenhill, Moelis and Baker Botts. McDermott senior management provided an update on the potential business combination and discussed next steps.

On November 6, 2017, Mr. Dickson provided an update to the McDermott Board on the status of the potential business combination.

On November 7, 2017, the CB&I Supervisory Board held a telephonic meeting, attended by members of CB&I's senior management and representatives of Centerview, FTI, Wachtell Lipton and Kirkland & Ellis, to receive an update on the discussions with McDermott and on the status of the Technology Sale, and to discuss and review CB&I's other strategic alternatives, a filing for bankruptcy protection and options for refinancing CB&I's

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existing indebtedness. During the next several weeks, representatives of CB&I contacted multiple potential sources of debt and equity financing regarding the possibility of such sources providing CB&I with new financing to permit CB&I to continue to operate on a standalone basis, either following a Technology Sale or in the event CB&I was unable to complete a Technology Sale. CB&I ultimately engaged in discussions or negotiations with, and received CB&I's proposals from, several potential financing sources, but all of such discussions or proposals were on terms that the CB&I Supervisory Board, after consultation with CB&I's management and financial and legal advisors, believed either would not ensure the viability of CB&I over an acceptable duration, or, if viable, were not more favorable than, or in the best interest of CB&I and its stakeholders relative to, the alternative of engaging in the transaction with McDermott.

On November 8, 2017, Baker Botts sent an initial draft Business Combination Agreement to Wachtell Lipton. From November 9 through December 16, 2017, Baker Botts, Wachtell Lipton, De Brauw and NautaDutilh negotiated the Business Combination Agreement and related documentation, and Messrs. Spence and Taff spoke by telephone on several occasions to discuss, negotiate or resolve certain aspects of the proposed business combination, including structure, the prospects for obtaining and the structure and terms of the financing that would be necessary in connection with the business combination, including to repay CB&I's existing indebtedness and to finance the combined company's operations, social and organizational issues and select terms of the Business Combination Agreement and related documentation. No final resolutions were reached.

On November 10, 2017, the CB&I Supervisory Board held a telephonic meeting attended by members of CB&I's senior management and representatives of Centerview, Wachtell Lipton and Kirkland & Ellis. The CB&I Supervisory Board discussed the then current proposal from McDermott for an all-stock transaction in which former CB&I shareholders would receive McDermott shares representing approximately 46% of McDermott's total outstanding shares on a pro forma basis, and determined to respond to McDermott by proposing a business combination in which CB&I stockholders would receive shares representing 49% of the combined company. The CB&I Supervisory Board also received an update on the status of the Technology Sale process, including potential options to address the transaction certainty concerns with respect to certain of the potential bidders for the technology business, including ability to obtain required regulatory approvals, either on a timely basis, or at all, the possibility that some of the potential acquirors might require CB&I to obtain a solvency opinion and the prospects for obtaining such an opinion, the potential need to prepare separate audited financials for the technology business and financing concerns.

On November 11, 2017, the McDermott Board held a telephonic special meeting attended by representatives of Goldman Sachs, Greenhill, Moelis and Baker Botts. Members of McDermott management provided an overview of the potential business combination to date and discussed the proposed transaction structure, the negotiation of the draft Business Combination Agreement, due diligence and next steps. Representatives of Goldman Sachs and Greenhill reviewed financial information on McDermott and CB&I. Representatives of Moelis provided an update on the financing process. The McDermott Board authorized Mr. Dickson to send a revised proposal for the potential business combination to CB&I.

On November 12, 2017, Mr. Dickson sent to Mr. Mullen a proposal that a potential business combination be structured so that former CB&I stockholders would receive McDermott shares representing approximately 46% of McDermott's total outstanding shares on a pro forma basis. It was proposed that Messrs. Dickson and Spence would remain as the chief executive officer and chief financial officer, respectively, of the combined company, and that the composition of the board of directors would include representatives from the McDermott Board and the CB&I Supervisory Board, in a proportion matching the ownership percentage of each company's stockholders, with the Chairman of the Board to be determined at a later date.

On November 13, 2017, the CB&I Supervisory Board held a telephonic meeting attended by members of CB&I's senior management and representatives of Centerview, Wachtell Lipton and Kirkland & Ellis. The CB&I Supervisory Board discussed the most recent proposal from McDermott, potential structuring options for a potential business combination with McDermott, and discussed the evaluation of CB&I's other strategic

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alternatives. On this same day, Messrs. Dickson and Mullen had a telephone call to discuss the status of the proposed business combination. Also on the same day, Messrs. Spence and Taff spoke by telephone to discuss structure, financing and social issues related to the proposed business combination. No final resolutions were reached.

Between November 13, 2017 and November 15, 2017, CB&I received comments on the draft purchase agreement that had been provided to potential bidders in the Technology Sale process from the three potential acquirors who had indicated they remained interested in acquiring the technology business, and Wachtell Lipton provided reactions and guidance to each of the three interested parties.

On November 14, 2017 and November 15, 2017, representatives of Centerview and Kirkland & Ellis met with advisors to the creditor group at the direction of CB&I to discuss the progress of the Technology Sale and the required evaluation of strategic alternatives by CB&I. At these meetings, CB&I's advisors informed the representative of the creditor group of the ongoing discussions regarding a potential business combination, noting that CB&I would need to obtain amendments to the terms of its existing indebtedness in order to enter into such a business combination, rather than pursuing the Technology Sale as required by the August Amendments, in order to avoid being in default under the terms of CB&I's outstanding indebtedness.

On November 16, 2017, the CB&I Supervisory Board held a telephonic meeting attended by members of CB&I's senior management and representatives of Centerview and Wachtell Lipton. The CB&I Supervisory Board received an update on the status of discussions with McDermott, and discussed potential responses to McDermott with respect to the most recently proposed financial terms of a combination. The CB&I Supervisory Board delegated authority to Mr. Flury to negotiate directly with Mr. Luquette. The CB&I Supervisory Board also received an update on the status of the Technology Sale process, including expectations with respect to final proposals, and on the status of discussions with CB&I's existing lenders and potential alternative sources of financing for CB&I on a standalone basis.

On November 16, 2017, Messrs. Luquette and Flury spoke by telephone to discuss economic and social issues relating to the proposed business combination. Mr. Luquette reiterated McDermott's proposal that the exchange ratio be set such that former CB&I stockholders receive McDermott shares representing approximately 46% of McDermott's total outstanding shares on a pro forma basis and proposed that there initially be eleven members of the board of directors of the combined company, including five members of the McDermott Board, five members of the CB&I Supervisory Board, and Mr. Dickson, with Mr. Luquette retaining his role as Chairman of the combined company's board after the Combination.

On November 17, 2017, the McDermott Board held a telephonic special meeting attended by representatives of Goldman Sachs, Greenhill, Moelis and Baker Botts. Members of McDermott management provided an update on the status of the proposed business combination.

Later in the day on November 17, 2017, Mr. Flury called Mr. Luquette to propose that the exchange ratio be set such that former CB&I stockholders would receive McDermott shares representing approximately 48% of McDermott's total outstanding shares on a pro forma basis and that Mr. Flury serve as Chairman of the combined company's board after the Combination.

On November 18, 2017, Mr. Luquette called Mr. Flury to discuss a proposal that the exchange ratio be set such that former CB&I stockholders would receive McDermott shares representing approximately 47% of McDermott's total outstanding shares on a pro forma basis and that Mr. Luquette retain his role as Chairman of the McDermott Board after the Combination. Mr. Flury agreed to discuss the proposal with the CB&I Supervisory Board.

On November 19, 2017, the CB&I Supervisory Board held a telephonic meeting attended by members of CB&I s senior management and representatives of Centerview and Wachtell Lipton. Messrs. Mullen and Flury reported

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to the other directors regarding their conversations with representatives of McDermott, including McDermott's position with respect to the terms of the proposed business combination. Following discussion, the CB&I Supervisory Board expressed its support for continuing to pursue a potential business combination with McDermott on the terms discussed between Messrs. Luquette and Flury.

On November 20, 2017, the requested deadline for submission of final proposals in the Technology Sale, CB&I received three proposals with total consideration ranging from approximately \$2.25 billion to approximately \$2.5 billion.

On November 21, 2017, the CB&I Supervisory Board held a telephonic meeting attended by members of CB&I's senior management and representatives of Centerview, the Technology Sale Advisor and Wachtell Lipton. The CB&I Supervisory Board received an update on the status of the potential business combination with McDermott, reviewed the proposals submitted in the Technology Sale process and reviewed CB&I's strategic and financing alternatives. The CB&I Supervisory Board discussed the proposals received in the Technology Sale process, including an evaluation of whether any of the proposals as received would be actionable by CB&I in light of the terms proposed, execution risk, and the potential absence of sufficient financing for CB&I to properly fund its ongoing operations after a sale of the technology business taking into account preliminary results of discussions with potential financing sources, as well as the projected level of CB&I's indebtedness by the time of a Technology Sale closing, the projected liquidity and credit needs of CB&I, and that a sale of the technology business at the proposed valuations would likely be sufficient to repay CB&I's indebtedness but with little excess to support CB&I's ongoing liquidity needs. The CB&I Supervisory Board determined that CB&I would continue negotiations with the two highest bidders to seek to reach an agreement on a potential actionable transaction and to evaluate the available options for continued financing of CB&I following a Technology Sale. With respect to financing for CB&I in the absence of a Technology Sale, the CB&I Supervisory Board was informed that one of the parties that had indicated a potential willingness to provide new financing to CB&I on a standalone basis was no longer interested in participating unless a Technology Sale was completed, and the other party remained potentially interested but would be unable to provide sufficient liquidity to meet CB&I's needs on its own.

On November 28, 2017, Messrs. Mullen and Taff and representatives of CB&I's advisors met with representatives of the creditor group to discuss the current status of CB&I's evaluation of strategic alternatives, including the potential business combination with McDermott, the Technology Sale process, and planning for a potential bankruptcy filing in the event no transaction could be agreed and completed in a timely fashion and alternative standalone financing could not be obtained. At that meeting, the representatives of the creditor group were presented with a summary of the amendments to CB&I's indebtedness that were being requested by CB&I. Also at part of that meeting, Messrs. Dickson and Spence, together with representatives of Moelis, made a presentation regarding the potential business combination with McDermott. In the following weeks, CB&I and the creditor group continued to negotiate the terms of the amendments and to exchange drafts of the related documents.

On November 29, 2017, members of CB&I's senior management and representatives of CB&I's advisors met with the creditor group to discuss the terms of the amendments and the proposed business combination.

On November 29, 2017, the McDermott Board held a telephonic special meeting attended by representatives of Goldman Sachs, Greenhill, Moelis and Baker Botts. Members of McDermott management provided an update on the status of the proposed business combination, including financial analyses with respect of the two companies, and information about due diligence, transaction structure, the negotiation of the draft Business Combination Agreement and financing.

On December 1, 2017, Messrs. Dickson and Mullen had a telephonic conversation to discuss the results of the McDermott Board meeting.

During the first week of December, due to the need for additional time in order to obtain adequate financing commitments for the combined company in connection with a business combination with McDermott (as



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discussed in a telephone call between Messrs. Spence and Taff on December 3, 2017) and/or to arrange adequate financing for CB&I on a standalone basis in the event of a Technology Sale, CB&I requested an extension from the creditor group of the December 8, 2017 deadline to enter into an agreement for a Technology Sale. An extension was granted to extend the deadline to December 18, 2017.

On December 5, 2017, McDermott entered into an engagement letter with Greenhill, relating to Greenhill's role as a financial advisor to McDermott in connection with the potential business combination.

On December 6, 2017, the CB&I Supervisory Board held a regularly scheduled board meeting in Amsterdam, attended by members of CB&I's senior management and representatives of Centerview, Wachtell Lipton, Kirkland & Ellis and De Brauw. The CB&I Supervisory Board received an update on the status of the potential business combination with McDermott and a potential Technology Sale, as well as the evaluation of other strategic alternatives. Representatives of Wachtell Lipton and De Brauw discussed the directors' fiduciary duties and presented to the CB&I Supervisory Board a detailed summary of the terms of the draft Business Combination Agreement, negotiation of which had been substantially completed. The CB&I Supervisory Board discussed the fact that the Technology Sale process had not produced any proposals which were, in the view of the CB&I Supervisory Board after discussion and analysis, superior options to a potential business combination with McDermott, due in part to the lack of financing options for CB&I to meet its liquidity and operational needs following a Technology Sale, the likelihood of the Technology Sale proceeds to repay CB&I's outstanding indebtedness, and the likelihood of consummation of the Technology Sale. The CB&I Supervisory Board discussed the fact that the transaction with McDermott would create more value for CB&I and its stakeholders, taken as a whole, than the Technology Sale would have, which was likely to benefit first and foremost (if not only), CB&I's secured creditors. After extensive discussion, the CB&I's Boards determined that a business combination with McDermott presented the best alternative available to CB&I and all of its stakeholders, and that continuing to actively pursue other strategic alternatives, including a potential Technology Sale, was likely to jeopardize CB&I's ability to achieve any of the available alternatives. As a result, the CB&I Boards determined that it was in the best interests of all of CB&I's stakeholders for CB&I to focus its resources on pursuing a business combination with McDermott and working with McDermott to obtain sufficient financing commitments for the combined business.

On December 15, 2017, McDermott entered into an engagement letter with Goldman Sachs, relating to Goldman Sachs' role as a financial advisor to McDermott in connection with the potential business combination.

On December 15, 2017, McDermott and CB&I agreed on a final exchange ratio based on the most recently available outstanding share count of each of CB&I and McDermott, calculated to result in the previously agreed ownership percentages in the combined company.

On December 15, the CEOs and CFOs of McDermott and CB&I met together with their respective public relations, investor relations and communications teams to address the communications plan following an announcement of the business combination.

During the week ended December 16, 2017, Baker Botts, Wachtell Lipton and the parties' respective Netherlands counsel completed negotiations of the terms of the definitive Business Combination Agreement and related transaction documentation.

On December 17, 2017, the CB&I Supervisory Board held a telephonic meeting attended by members of CB&I's senior management and representatives of Centerview, Wachtell Lipton and De Brauw, to consider the transaction with McDermott. Mr. Mullen and other members of senior management updated the CB&I Supervisory Board on the status of negotiations with McDermott, as well as the status of CB&I's consideration of other alternatives, including

the Technology Sale and potential continued operation on a standalone basis. At this meeting, representatives of Centerview reviewed with the CB&I Supervisory Board Centerview's financial analysis of the Exchange Offer Ratio. After discussion among the CB&I Supervisory Board and its advisors,

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representatives of Centerview delivered to the CB&I Supervisory Board an oral opinion, subsequently confirmed by delivery of a written opinion to the CB&I Boards dated such date that, as of such date and based upon and subject to various assumptions made, procedures followed, matters considered, and qualifications and limitations upon the review undertaken in preparing its opinion, the Exchange Offer Ratio provided for pursuant to the Business Combination Agreement was fair, from a financial point of view, to the holders of shares of CB&I Common Stock (other than Excluded Shares). See the section entitled *The Combination Opinion of Centerview Partners LLC* for a detailed description of Centerview's opinion. Representatives of Wachtell Lipton and De Brauw discussed the directors' fiduciary duties and presented to the CB&I Supervisory Board a detailed summary of the terms of the draft Business Combination Agreement and the financing commitments expected to be obtained by McDermott. That same day, the CB&I Management Board also held a telephonic meeting to discuss and consider the proposed business combination.

After extensive discussion and careful consideration, including as to the matters described in the section entitled *The Combination Reasons for the Combination; Recommendation of the CB&I Boards*, the CB&I Boards concluded that the proposed business combination with McDermott presented an attractive strategic opportunity for CB&I and its stakeholders and in addition was the best alternative available to CB&I and its stakeholders, taking into account that none of the bidders in the Technology Sale process had put forth an actionable proposal that would ensure CB&I would have sufficient liquidity and credit to fund ongoing operations following a Technology Sale, and that none appeared likely to do so, and the fact that under the terms of CB&I's outstanding indebtedness, CB&I would have no choice but to seek bankruptcy protection if it did not enter into either an agreement with respect to the Technology Sale or the transaction with McDermott. As part of this discussion, the CB&I Boards considered the fact that CB&I's efforts to obtain commitments for new financing on a standalone basis that would permit the refinancing of its existing debt had not been successful. Accordingly, the CB&I Boards unanimously determined that the Business Combination Agreement and the combination were fair to, advisable and in the best interests of CB&I and its stockholders and unanimously approved the Business Combination Agreement and the Combination, with such determination and approval conditioned on confirmation by CB&I management that McDermott had obtained financing commitments in an amount deemed to be sufficient by CB&I management.

On December 17, 2017, the McDermott Board held a special meeting in Houston, Texas, attended by representatives of Goldman Sachs, Greenhill, Moelis and Baker Botts. Members of McDermott management provided an update on the status of the proposed business combination, including financial analysis of the two companies, due diligence, transaction structure, the negotiation of the draft Business Combination Agreement and financing. Representatives of Goldman Sachs and Greenhill reviewed their respective preliminary financial analyses of the Exchange Offer Ratio. Those discussions included information from McDermott management regarding the impacts of then-pending U.S. tax reform legislation, including that such tax reform was projected by McDermott management to have no significant impact on McDermott as a stand-alone company and a positive impact on the pro forma combined business. Representatives of Moelis provided an update on the financing process. Representatives of Baker Botts discussed the directors' fiduciary duties (based on advice from McDermott's Panamanian counsel) and summarized the terms of the draft Business Combination Agreement for the McDermott Board. The McDermott Board had an extensive discussion and gave careful consideration to matters related to the proposed business combination, including as to the matters described in the section entitled *The Combination Reasons for the Combination; Recommendation of the McDermott Board*. The McDermott Board then postponed making a final determination as to the proposed business combination until the following day, in order to allow time for additional commitments related to the financing to be obtained.

On December 17, 2017 and December 18, 2017, CB&I, McDermott and their advisors finalized the final details of the Business Combination Agreement and McDermott completed the obtaining of financing commitments for the new financing to be used to repay or refinance existing indebtedness of each of CB&I and McDermott and to finance the combined company's operations following completion of the Combination.

On December 18, 2017, the McDermott Board held a telephonic special meeting attended by representatives of Goldman Sachs, Greenhill, Moelis and Baker Botts after the additional commitments related to the financing had

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been obtained. Representatives of Goldman Sachs and Greenhill reviewed with the McDermott Board their financial analysis of the Exchange Offer Ratio. After discussion among the McDermott Board and its advisors, representatives of each of Goldman Sachs and Greenhill delivered to the McDermott Board an oral opinion, subsequently confirmed by delivery of a written opinion dated as of the same date, that as of such date and based upon and subject to the factors and assumptions set forth in its written opinion, the Exchange Offer Ratio provided for pursuant to the Business Combination Agreement was fair, from a financial point of view, to McDermott. See the sections entitled The Combination Opinion of Goldman Sachs & Co. LLC and The Combination Opinion of Greenhill & Co., LLC for a detailed description of those opinions.

After due consideration and consultation with its outside legal and financial advisors, the McDermott Board, by a vote of eight to one: (1) determined that the Core Transactions and the Exchange Offer and the other transactions contemplated by the Business Combination Agreement are in the best interests of McDermott and its stockholders and that it was in the best interests of McDermott and the stockholders of McDermott to enter into the Business Combination Agreement; (2) adopted and approved the Business Combination Agreement and McDermott's execution, delivery and performance of the Business Combination Agreement and the consummation of the transactions contemplated thereby, including the McDermott Reverse Stock Split Articles Amendment, the McDermott Authorized Capital Articles Amendment and the McDermott Stock Issuance; and (3) resolved to recommend that the holders of shares of McDermott Common Stock adopt the McDermott Reverse Stock Split Articles Amendment Resolution and the McDermott Authorized Capital Articles Amendment Resolution and approve the McDermott Stock Issuance proposal, in each case upon the terms and subject to the conditions stated in the Business Combination Agreement.

In the afternoon of December 18, 2017, CB&I and McDermott executed the Business Combination Agreement, McDermott entered into financing commitments with respect to the combination and CB&I executed the amendments to the terms of its existing indebtedness, and CB&I and McDermott issued a joint press release announcing the Combination.

On January 24, 2018, McDermott, CB&I and the other parties thereto entered into an Amendment and Partial Assignment and Assumption (the Amendment) of the Business Combination Agreement. The purpose of the Amendment was to add McDermott Technology (2), B.V., a direct, wholly owned subsidiary of McDermott Bidco incorporated under the laws of the Netherlands (McDermott Bidco 2), and McDermott Technology (3), B.V., a direct, wholly owned subsidiary of McDermott Bidco incorporated under the laws of the Netherlands, as parties to the Business Combination Agreement, provide for the assignment of certain rights of McDermott Bidco under the Business Combination Agreement to McDermott Bidco 2 and make certain other ministerial changes.

**McDermott's Reasons for the Combination; Recommendation of the McDermott Board**

The McDermott Board believes that the Combination will create value for its stockholders, combine two highly complementary businesses to create a leading onshore-offshore integrated engineering, procurement, construction and installation company driven by technology and innovation, with the scale and diversification to better capitalize on global growth opportunities, provide its customers with consistently high-quality service and create opportunities for its employees. After due consideration and consultation with its outside legal and financial advisors, the McDermott Board, in its meeting held on December 18, 2017, by a vote of eight to one: (1) determined that the Core Transactions and the Exchange Offer and the other transactions contemplated by the Business Combination Agreement are in the best interests of McDermott and its stockholders and that it was in the best interests of McDermott and the stockholders of McDermott to enter into the Business Combination Agreement; (2) adopted and approved the Business Combination Agreement and McDermott's execution, delivery and performance of the Business Combination Agreement and the consummation of the transactions contemplated thereby, including the McDermott Reverse Stock Split Articles Amendment, the McDermott Authorized Capital Articles Amendment and the McDermott Stock

Issuance; and (3) resolved to recommend that the holders of shares of McDermott Common Stock adopt the McDermott Reverse Stock Split Articles

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Amendment Resolution and the McDermott Authorized Capital Articles Amendment Resolution and approve the McDermott Stock Issuance proposal, in each case upon the terms and subject to the conditions stated in the Business Combination Agreement.

In reaching its conclusion to approve the Combination and recommend that McDermott's stockholders vote FOR the McDermott Stockholder Proposals, the McDermott Board consulted with members of management and its financial and legal advisors and considered many factors, including the following:

### ***Strategic Considerations***

The McDermott Board considered a number of factors pertaining to the strategic rationale for the Combination as generally supporting its decision to enter into the Business Combination Agreement, including the following:

The addition of CB&I's businesses adds significant scale and diversification (particularly, significant onshore businesses) to the combined business that McDermott would not have on its own.

CB&I provides a complementary global portfolio with an established presence in high-growth markets. The Combination will unite McDermott's established presence in the Middle East and Asia with CB&I's robust operations in the United States, creating a more balanced geographic portfolio with a strong position in high-growth, developing regions.

The Combination will create significant opportunities to capture additional value from market trends across the entire value chain. The combined business will have a presence across onshore and offshore, upstream, downstream and power markets, enhancing competitiveness and enabling more consistent, predictable performance through market cycles.

The combined business will have a greater ability to respond to evolving customer needs. The combined business will offer customers engineered and constructed facility solutions and fabrication services across the full lifecycle, executed to maximize asset value. Customers will also benefit from enhanced exposure across diverse end markets, including refining, petrochemicals, LNG and power.

After the Combination, McDermott expects to have a strong capital structure to support growth. The combined business is expected to generate EBITDA growth and strong free cash flow, enabling a reduction in funded indebtedness over the next few years.

By retaining CB&I's technology business, with its 3,000 patents and patent applications, trademarks and more than 100 licensed technologies, the combined business will be one of the world's largest providers of licensed process technologies. McDermott anticipates leveraging these capabilities across the combined customer base to drive follow-on work.

The Combination is expected to be cash accretive in the amount of \$0.53 per share, excluding one-time costs, for the year ending December 31, 2019. It is also expected to generate annualized cost synergies of \$250 million starting in 2019, in addition to a \$100 million cost reduction program that CB&I expects to have fully implemented by the end of 2017, at a one-time expected cost of \$210 million. The cost synergies are expected to come from operations optimization, general and administrative expense savings, supply chain optimization and other related cost savings. Further, McDermott expects that the transaction will lead to substantial revenue synergies due to the enhanced capabilities of the combined business.

McDermott and CB&I's combined experience in delivering customer-centric solutions and fixed-price, lump-sum contracts will form the basis for the combined business to deliver a consistent approach to executing projects for customers. Further, McDermott and CB&I's similar cultures will ensure that safety remains the number one priority and will help facilitate a seamless transition for co-venturers and employees worldwide.



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***Financial Considerations***

The McDermott Board also considered a number of financial factors pertaining to the Combination as generally supporting its decision to enter into the Business Combination Agreement, including the following:

The presentation by and the opinion of Goldman Sachs dated as of December 18, 2017, to the effect that the Exchange Offer Ratio is fair, from a financial point of view, to McDermott. See Opinion of McDermott's Financial Advisors Goldman Sachs & Co.

The presentation by and the opinion of Greenhill dated as of December 18, 2017, to the effect that the Exchange Offer Ratio is fair, from a financial point of view, to McDermott. See Opinion of McDermott's Financial Advisors Greenhill & Co., LLC.

***Other Considerations***

The McDermott Board also considered a number of additional factors as generally supporting its decision to enter into the Business Combination Agreement, including the following:

The financial performance and condition, business operations and future prospects of McDermott and CB&I.

The board composition of the combined business, which will include six directors from the McDermott Board and will include Gary P. Luquette as Chairman of the Board of Directors.

The management composition of the combined business, which will include David Dickson as President and Chief Executive Officer and Stuart Spence as Executive Vice President and Chief Financial Officer.

McDermott's management team has a proven track record of turnaround management and business transformation that can be applied to the combined business.

The terms and conditions of the Business Combination Agreement, including the fact that the consideration for the CB&I shareholders is fixed, the covenants applicable to each party, the conditions to completion of the Combination, including required regulatory clearances, the rights of the parties to the Business Combination Agreement, under specified circumstances, to respond to, evaluate and negotiate with respect to other business combination proposals, the circumstances under which the Business Combination Agreement could be terminated and the size and impact of the termination fee associated with a termination.

The opportunities and alternatives available to McDermott if the Combination were not to be undertaken and the risks, uncertainties and expense of that strategy.

The amount and terms of the financing for the Combination, including the Commitment Letters.

***Risks***

The McDermott Board also identified and considered a number of uncertainties, risks and other potentially negative factors, including the following:

The McDermott Board considered the risks associated with CB&I's loss contracts and with certain litigation and other proceedings to which CB&I is a party.

The McDermott Board considered the challenges and potential costs of combining and integrating the businesses, and the attendant risks of not achieving expected cost savings.

The McDermott Board considered the required regulatory clearances to complete the Combination and the risk that governmental authorities might seek to impose unfavorable terms and conditions on the required clearances (and that the Combination may not be completed as a result of such terms and

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conditions) or that such clearances may not be obtained at all. The McDermott Board further considered the potential length of the regulatory clearance process and the period of time McDermott may be subject to the Business Combination Agreement without assurance that the process will be completed.

The McDermott Board considered the interests of the officers and directors of McDermott and CB&I in the Combination that are different from or in addition to the interests of other stockholders, including the matters described under *The Combination Interests of Certain Persons in the Combination*.

The McDermott Board considered the diversion of management focus and resources from other strategic opportunities and from operational matters while working to implement the Combination.

The McDermott Board considered industry-wide labor-related challenges and their potential impacts on CB&I's workforce.

The McDermott Board also considered certain risks of CB&I's business and operations, including the risks described in the *Risk Factors* section in CB&I's Annual Report on Form 10-K, its Quarterly Reports on Form 10-Q and other filings with the SEC and in this document. The McDermott Board determined that these risks were manageable as part of the ongoing combined business.

***Views of Dissenting Director***

The McDermott Board also considered the views of director Stephen G. Hanks, who voted against the adoption and approval of the Business Combination Agreement. At each of the meetings of the McDermott Board at which the potential business combination was discussed, Mr. Hanks consistently stated that he believes, based on his prior experience in the engineering and construction (E&C) industry, that the E&C business operated by CB&I (and historically operated by certain of its predecessors) is inherently subject to the types of problems that CB&I has been experiencing recently in connection with its four significant contracts that have negatively impacted CB&I's results of operations in recent periods, that these problems may be difficult for McDermott's management to remedy (at least in the near term) and, therefore, that the Combination is too risky for McDermott, taking into account the combined balance sheet of the two companies. Mr. Hanks also expressed concerns relating to labor-related challenges that he believed could impact the ability to perform the contracts in CB&I's backlog over the next couple of years, and relating to the availability of quality project management to oversee the performance of the contracts in CB&I's backlog. In that regard, Mr. Hanks noted his view of the practical difficulty of accurately assessing project management capabilities and controls during the course of public company merger or acquisition discussions. Mr. Hanks stated that these concerns were, to a significant degree, based on his experience as President and Chief Executive Officer of Washington Group International, Inc., during which time that company acquired a business with two significant, fixed-price, lump-sum combined-cycle gas power plant projects in the northeastern region of the United States that Mr. Hanks described as having generated over \$2.0 billion in losses that led to Washington Group's filing for protection from creditors under Chapter 11 of the U.S. Bankruptcy Code.

During the course of discussions regarding the proposed Combination, Mr. Hanks expressed his concerns to McDermott's management and the other members of the McDermott Board. Mr. Hanks also asked detailed questions of McDermott's management team, and McDermott's management, in turn, provided detailed responses and, ultimately, expressed the belief that, based on McDermott's due diligence and the experience and capabilities of the McDermott management team, the risks related to CB&I's four significant contracts that have negatively impacted

CB&I's results of operations in recent periods could be managed and that similar problems could be avoided in the future through improved project management. Mr. Hanks stated that he had considered the responses of McDermott's management, which he felt were complete, as well as the views of other members of the McDermott Board, which he understood and respected. However, those discussions ultimately did not result in Mr. Hanks' willingness to vote in favor of the transaction.

The other eight members of the McDermott Board considered Mr. Hanks' concerns over the course of several meetings of the Board of Directors. In particular, the McDermott Board reviewed: (1) in consultation with its

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legal advisors, the process undertaken by the McDermott Board in considering the various strategic alternatives available to McDermott, including the proposed Combination, continuing as a stand-alone company and other potential business combination, merger or acquisition transactions that had been discussed with McDermott management during the course of the past year; and (2) in consultation with its financial advisors, the strategic, financial and other considerations and risk factors described above. After weighing these various factors, the other eight directors determined to vote in favor of the board approvals and recommendations described above because they believed that, taking all relevant factors into account, the Business Combination Agreement and the Combination were in the best interests of McDermott and its stockholders.

In determining that the Combination is advisable and in the best interests of McDermott's stockholders, the McDermott Board considered the factors described above as a whole and did not quantify or otherwise assign relative weights to the different factors. The McDermott Board views its recommendation as being based on the totality of the information presented to and considered by it. Individual directors may have given different weights to different factors. Moreover, the foregoing discussion of the reasons for the Combination is not intended to be exhaustive.

### ***Recommendation of the McDermott Board***

For the reasons discussed, the McDermott Board has determined that the Business Combination Agreement and the transactions contemplated by the Business Combination Agreement are in the best interests of McDermott and its stockholders, has adopted and approved the Business Combination Agreement and the consummation of the transactions contemplated by the Business Combination Agreement, and recommends that stockholders vote FOR approval of the McDermott Reverse Stock Split Articles Amendment Resolution, the McDermott Authorized Capital Articles Amendment Resolution and the McDermott Stock Issuance proposal.

### **Opinions of McDermott's Financial Advisors**

#### ***Goldman Sachs & Co. LLC***

Goldman Sachs & Co. LLC (Goldman Sachs) rendered its opinion, dated December 18, 2017, to the McDermott Board that, as of such date and based upon and subject to the factors and assumptions set forth therein, the 2.47221, or, if the McDermott Reverse Stock Split has occurred prior to the date on which the Exchange Offer Effective Time occurs, 0.82407, shares of McDermott Common Stock to be paid by McDermott Bidco for each share of CB&I Common Stock pursuant to the Combination Agreement was fair from a financial point of view to McDermott.

**The full text of the written opinion of Goldman Sachs, dated December 18, 2017, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex B. Goldman Sachs provided advisory services and its opinion for the information and assistance of the McDermott Board in connection with its consideration of the Combination. The Goldman Sachs opinion is not a recommendation as to how any holder of shares of McDermott Common Stock should vote with respect to matters related to the Combination, or any other matter.**

In connection with rendering the opinion described above and performing its related financial analyses, Goldman Sachs reviewed, among other things:

the Business Combination Agreement;

the form of the Agreement for the Sale and Purchase of the Shares of Comet Newco Sub attached as Exhibit C to the Business Combination Agreement (the Share Sale Agreement );

annual reports to shareholders and Annual Reports on Form 10-K of McDermott and CB&I for the five years ended December 31, 2016;

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the current report on Form 8-K dated April 25, 2017 of McDermott;

certain interim reports to shareholders and Quarterly Reports on Form 10-Q of McDermott and CB&I;

certain other communications from McDermott and CB&I to their respective stockholders and shareholders;

certain publicly available research analyst reports for McDermott and CB&I;

certain internal financial analyses and forecasts for CB&I for the year 2017 prepared by CB&I's management as adjusted to reflect non-GAAP adjustments by the management of McDermott, as approved for Goldman Sachs' use by McDermott (the Adjusted CB&I Forecasts );

certain internal financial analyses and forecasts for CB&I for the years 2018 through 2020 prepared by its management, as approved for Goldman Sachs' use by McDermott (the CB&I Forecasts ); and

certain internal financial analyses and forecasts for McDermott standalone for the years 2018 through 2020 and pro forma for the contemplated transactions and certain financial analyses and forecasts for CB&I (for the years 2021 and 2022), in each case, as prepared by the management of McDermott and approved for Goldman Sachs' use by McDermott (the McDermott Forecasts and, together with the Adjusted CB&I Forecasts and the CB&I Forecasts, the Forecasts ); certain operating synergies projected by the management of McDermott to result from the contemplated transactions, as approved for Goldman Sachs' use by McDermott (the Synergies ); and certain net operating losses (the CB&I NOLs ) and Cash Tax Step-Up Benefits (the Cash Tax Step-Up Benefits ) projected by the management of McDermott to result from the contemplated transactions, as approved for Goldman Sachs' use by McDermott (together, the Tax Benefits Forecasts ).

Goldman Sachs also held discussions with members of the senior managements of McDermott and CB&I regarding their assessment of the past and current business operations, financial condition and future prospects of CB&I and with the members of senior management of McDermott regarding their assessment of the past and current business operations, financial condition and future prospects of McDermott and the strategic rationale for, and the potential benefits of, the contemplated transactions; reviewed the reported price and trading activity for the McDermott Common Stock and the CB&I Common Stock; compared certain financial and stock market information for McDermott and CB&I with similar information for certain other companies the securities of which are publicly traded; reviewed the financial terms of certain recent business combinations in the engineering and construction industry and in other industries; and performed such other studies and analyses, and considered such other factors, as it deemed appropriate.

For purposes of rendering its opinion, Goldman Sachs, with McDermott's consent, relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by, it, without assuming any responsibility for independent verification thereof. In that regard, Goldman Sachs assumed with McDermott's consent that the Forecasts, the Synergies and the Tax Benefits Forecasts were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of McDermott. Goldman Sachs did not make an independent evaluation or appraisal of the assets and

liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of McDermott or CB&I or any of their respective subsidiaries and it was not furnished with any such evaluation or appraisal. Goldman Sachs assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the contemplated transactions will be obtained without any adverse effect on McDermott or CB&I or on the expected benefits of the contemplated transactions in any way meaningful to its analysis. Goldman Sachs has also assumed that the parties to the Share Sale Agreement will enter into such agreement in the form attached as an exhibit to the Business Combination Agreement and that the contemplated transactions will be consummated on the terms set forth in the Business Combination Agreement and the Share Sale Agreement, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to its analysis.



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Goldman Sachs' opinion does not address the underlying business decision of McDermott to engage in the contemplated transactions or the relative merits of the contemplated transactions as compared to any strategic alternatives that may be available to McDermott; nor does it address any legal, regulatory, tax or accounting matters. Goldman Sachs' opinion addresses only the fairness from a financial point of view, as of the date of the opinion, of the 2.47221, or, if the McDermott Reverse Stock Split has occurred prior to the date on which the Exchange Offer Effective Time occurs, 0.82407, shares of McDermott Common Stock to be paid by McDermott Bidco for each share of CB&I Common Stock pursuant to the Business Combination Agreement. Goldman Sachs' opinion does not express any view on, and does not address, any other term or aspect of the Business Combination Agreement, the Share Sale Agreement or the contemplated transactions or any term or aspect of any other agreement or instrument contemplated by the Business Combination Agreement or the Share Sale Agreement or entered into or amended in connection with the contemplated transactions, including the fairness of the contemplated transactions to, or any consideration received in connection therewith by, the holders of any other class of securities, creditors, or other constituencies of McDermott; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of McDermott or CB&I, or any class of such persons in connection with the contemplated transactions, whether relative to the shares of McDermott Common Stock to be paid by McDermott Bidco pursuant to the Business Combination Agreement or otherwise. Goldman Sachs' opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to it as of, the date of the opinion, and Goldman Sachs assumed no responsibility for updating, revising or reaffirming its opinion based on circumstances, developments or events occurring after the date of its opinion. In addition, Goldman Sachs did not express any opinion as to the prices at which shares of McDermott Common Stock will trade at any time or as to the impact of the contemplated transactions on the solvency or viability of McDermott or CB&I or the ability of McDermott or CB&I to pay their respective obligations when they come due. Goldman Sachs' opinion was approved by a fairness committee of Goldman Sachs.

The following is a summary of the material financial analyses delivered by Goldman Sachs to the McDermott Board in connection with rendering the opinion described above. The following summary, however, does not purport to be a complete description of the financial analyses performed by Goldman Sachs, nor does the order of analyses described represent relative importance or weight given to those analyses by Goldman Sachs. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of Goldman Sachs' financial analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before December 15, 2017, the last trading day before the date of the public announcement of the contemplated transactions, and is not necessarily indicative of current market conditions.

*Historical Exchange Ratio Analysis.* Goldman Sachs reviewed the historical trading prices for shares of McDermott Common Stock and shares of CB&I Common Stock over various periods from December 14, 2012 to December 14, 2017, by first dividing the closing price per share of CB&I Common Stock on each trading day during the period by the closing price per share of McDermott Common Stock on the same trading day, and subsequently calculating the average of these daily historical exchange ratios over such periods (referred to in this section as the average exchange ratio for such period). Goldman Sachs then calculated the implied ownership of CB&I in the pro forma combined company (the combined company), using the number of fully diluted outstanding shares of CB&I Common Stock and shares of McDermott Common Stock, each as provided by the management of McDermott, and using the above exchange ratios for each period. The following table presents the results of these analyses:

<b>Period</b>	<b>Average Exchange Ratio</b>
December 14, 2017 (spot)	2.49x (current)

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1-year average	3.23x
3-year average	7.57x
5-year average	8.00x

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<b>Period</b>	<b>CB&amp;I Implied Ownership</b>
December 14, 2017 (spot)	47.2%
1-year average	53.0%
3-year average	69.7%
5-year average	73.0%

*Selected Companies Analysis.* Goldman Sachs reviewed and compared certain financial information, ratios and public market multiples for McDermott and CB&I to corresponding financial information, ratios and public market multiples for the following publicly traded corporations in the marine engineering and construction and oil-weighted engineering and construction industries:

*Marine Engineering & Construction Peers (the Marine E&C Companies )*

Aker Solutions ASA

Saipem S.p.A.

Subsea 7 S.A.

TechnipFMC plc

*Oil-Weighted Engineering & Construction Peers (the Oil E&C Companies )*

Fluor Corporation

Jacobs Engineering Group Inc.

KBR, Inc.

Although none of the selected companies is directly comparable to McDermott or CB&I, the companies included were chosen because they are publicly traded companies with operations that, for the purposes of analysis, may be considered similar to certain operations of McDermott and CB&I.

Goldman Sachs calculated and compared various financial multiples and ratios for McDermott and CB&I based on information from publicly available historical data, the Forecasts and certain Institutional Brokers Estimate System consensus estimates ( I/B/E/S estimates ) for McDermott and CB&I for the fiscal years ending December 31, 2018 and 2019. Goldman Sachs also calculated and compared various financial multiples and ratios for the Marine E&C Companies and the Oil E&C Companies based on information from publicly available historical data and certain I/B/E/S estimates for the companies for the fiscal years ending December 31, 2018 and 2019. The multiples and ratios were calculated using the applicable closing market prices as of December 14, 2017. CB&I's multiples and ratios were not adjusted for McDermott management's projection of negative cash flows for CB&I in the final quarter of 2017.

Goldman Sachs calculated the enterprise value ( EV ) as a multiple of projected earnings before interest, taxes, depreciation and amortization ( EBITDA ) for calendar years 2018 and 2019 for McDermott, CB&I, the Marine E&C Companies and the Oil E&C Companies. The following table presents the results of this analysis:

		<b>EV / EBITDA</b>	
		<b>2018E</b>	<b>2019E</b>
McDermott	<i>Forecasts</i>	7.2x	7.2x
	<i>I/B/E/S Estimates</i>	7.0x	5.8x
CB&I	<i>Forecasts</i>	6.5x	6.5x
	<i>I/B/E/S Estimates</i>	8.8x	7.6x
Median of Marine E&C Companies	<i>I/B/E/S Estimates</i>	6.1x	5.9x
Median of Oil E&C Companies	<i>I/B/E/S Estimates</i>	8.2x	7.2x

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Goldman Sachs calculated the price per share of common stock as a multiple of book value per share of common stock for McDermott, CB&I, the Marine E&C Companies and the Oil E&C Companies. The following table presents the results of this analysis:

	<b>Price / Book Value</b>
McDermott	1.2x
CB&I	1.6x
Median of Marine E&C Companies	0.9x
Median of Oil E&C Companies	2.1x

*Illustrative Discounted Cash Flow Analysis.* Goldman Sachs performed an illustrative discounted cash flow analysis on each of CB&I and McDermott on a standalone basis, on the CB&I NOLs, on the combined company (excluding the Cash Tax Step-Up Benefits) and on the Cash Tax Step-Up Benefits.

*CB&I Standalone.* Using illustrative discount rates ranging from 10.0% to 12.0%, reflecting estimates of CB&I's weighted average cost of capital, and the Forecasts, Goldman Sachs discounted to present value as of September 30, 2017 (1) projected unlevered free cash flows (calculated as adjusted EBITDA less taxes (but excluding the CB&I NOLs), less increases in net working capital and contract capital, less capital expenditures, less increases in equity investments and less adjustments in certain other balance sheet items) for CB&I for the final quarter of 2017 and for the fiscal years ending December 31, 2018 through December 31, 2022, respectively, and (2) a range of illustrative terminal values for CB&I as of December 31, 2022 derived by applying perpetuity growth rates ranging from 1.0% to 3.0% to a terminal year estimate of the projected unlevered free cash flows (calculated as adjusted EBITDA less taxes (but excluding the CB&I NOLs), less increases in net working capital and contract capital, less capital expenditures, less increases in equity investments and less adjustments in certain other balance sheet items) to be generated by CB&I (which analysis implied a range of implied terminal EBITDA multiples of 5.7x to 9.1x). Goldman Sachs derived such discount rates by application of the Capital Asset Pricing Model, which requires certain company-specific inputs, including the company's target capital structure weightings, the cost of long-term debt, future applicable marginal cash tax rate and a beta for the company, as well as certain financial metrics for the United States financial markets generally. The range of perpetuity growth rates was estimated by Goldman Sachs utilizing its professional judgment and experience, taking into account the Forecasts and market expectations regarding long-term real growth of gross domestic product and inflation. Goldman Sachs then derived ranges of illustrative EVs for CB&I by adding the ranges of present values it derived above. Goldman Sachs then subtracted from such range of illustrative EVs the amount of CB&I's net debt as of September 30, 2017, based on publicly available information, to derive a range of illustrative equity values for CB&I. Goldman Sachs then divided the implied equity values by the amount of fully diluted shares of CB&I Common Stock outstanding as of December 7, 2017, as provided by McDermott management, to derive a range of implied present values per fully diluted outstanding shares of CB&I Common Stock ranging from \$14.00 to \$32.25.

In addition, using illustrative discount rates ranging from 10.0% to 12.0%, reflecting estimates of CB&I's weighted average cost of capital, and the Tax Benefits Forecasts, Goldman Sachs discounted to present value as of September 30, 2017 the CB&I NOLs to derive a range of implied present values per fully diluted outstanding shares of CB&I Common Stock of the CB&I NOLs ranging from \$2.92 to \$3.19.

*McDermott Standalone.* Using illustrative discount rates ranging from 12.0% to 15.0%, reflecting estimates of McDermott's weighted average cost of capital, and the Forecasts, Goldman Sachs discounted to present value as of September 30, 2017 (1) projected unlevered free cash flows for McDermott for the final quarter of 2017 and for the fiscal years ending December 31, 2018 through December 31, 2022, respectively, and (2) a range of illustrative

terminal values for McDermott as of December 31, 2022 derived by applying perpetuity growth rates ranging from 1.5% to 3.5% to a terminal year estimate of the projected unlevered free cash flows to be generated by McDermott (which analysis implied a range of terminal EBITDA multiples of 4.6x to 7.3x). Goldman Sachs derived such discount rates by application of the Capital Asset Pricing Model, which requires certain company-

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specific inputs, including the company's target capital structure weightings, future applicable marginal cash tax rate and a beta for the company, as well as certain financial metrics for the United States financial markets generally. The range of perpetuity growth rates was estimated by Goldman Sachs utilizing its professional judgment and experience, taking into account the Forecasts and market expectations regarding long-term real growth of gross domestic product and inflation. Goldman Sachs then derived ranges of illustrative EVs for McDermott by adding the ranges of present values it derived above. Goldman Sachs then subtracted from such range of illustrative EVs the amount of McDermott's net debt as of September 30, 2017, based on publicly available information, to derive a range of illustrative equity values for McDermott. Goldman Sachs then divided the implied equity values by the amount of fully diluted shares of McDermott Common Stock outstanding as of November 30, 2017, as provided by McDermott management, to derive a range of implied present values per fully diluted outstanding shares of McDermott Common Stock ranging from \$7.50 to \$11.75.

*Combined Company (Excluding Cash Tax Step-Up Benefits).* Using illustrative discount rates ranging from 11.5% to 13.5%, reflecting estimates of the combined company's weighted average cost of capital, the Forecasts and the Synergies but excluding the Cash Tax Step-Up Benefits, Goldman Sachs discounted to present value as of September 30, 2017 (1) projected unlevered free cash flows for the combined company for the final quarter of 2017 and for the fiscal years ending December 31, 2018 through December 31, 2022, respectively, and (2) a range of illustrative terminal values for the combined company as of December 31, 2022 derived by applying perpetuity growth rates ranging from 1.5% to 3.5% to a terminal year estimate of the projected unlevered free cash flows to be generated by the combined company (which analysis implied a range of terminal EBITDA multiples of 5.3x to 8.0x). Goldman Sachs derived such discount rates by application of the Capital Asset Pricing Model, which requires certain company-specific inputs, including the company's target capital structure weightings, the cost of long-term debt, future applicable marginal cash tax rate and a beta for the company, as well as certain financial metrics for the United States financial markets generally. The range of perpetuity growth rates was estimated by Goldman Sachs utilizing its professional judgment and experience, taking into account the Forecasts and market expectations regarding long-term real growth of gross domestic product and inflation. Goldman Sachs then derived ranges of illustrative EVs for the combined company by adding the ranges of present values it derived above. Goldman Sachs then subtracted from such range of illustrative EVs the amount of the combined company's net debt as of September 30, 2017, based on publicly available information, as well as transaction adjustments, to derive a range of illustrative equity values for the combined company. Goldman Sachs then divided the implied equity values by the amount of fully diluted shares of combined company common stock (combined company shares) outstanding as of November 30, 2017 and December 7, 2017 for McDermott and CB&I, respectively, as provided by McDermott management (using equity awards outstanding as of November 30, 2017 and December 7, 2017 for McDermott and CB&I, respectively, and the prices per share of McDermott Common Stock and share of CB&I Common Stock implied by the discounted cash flow analyses above), to derive a range of implied present values per fully diluted outstanding combined company share ranging from \$8.00 to \$13.75.

*Cash Tax Step-Up Benefits.* Using illustrative discount rates ranging from 11.5% to 13.5%, reflecting estimates of the combined company's weighted average cost of capital, and the Tax Benefits Forecasts, Goldman Sachs discounted to present value as of September 30, 2017 the Cash Tax Step-Up Benefits to derive a range of implied present values per fully diluted outstanding combined company share of the Cash Tax Step-Up Benefits ranging from \$0.53 to \$0.48.

In addition, Goldman Sachs then added together the results of the discounted cash flow analyses for the Cash Tax Step-Up Benefits and the combined company (excluding the Cash Tax Step-Up Benefits) to derive a range of implied present values per fully diluted outstanding share of common stock of the combined company plus the Cash Tax Step-Up Benefits ranging from \$8.50 to \$14.25.

*Implied Equity Contribution.* Goldman Sachs calculated the relative implied equity contribution of each of McDermott and CB&I to the combined company and the implied exchange ratio, using the CB&I standalone, McDermott standalone and CB&I NOL discounted cash flow analyses described above. The midpoint results of



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each company's discounted cash flow analysis resulted in an illustrative equity contribution for McDermott of 51.4% and an implied exchange ratio of 2.63x.

*Illustrative Present Value of Future Stock Price Analysis.* Goldman Sachs performed an illustrative present value of future stock price analysis on McDermott on a standalone basis and on the combined company.

*McDermott Standalone.* Goldman Sachs performed an illustrative analysis of the implied present value of an illustrative future value per share of McDermott Common Stock. For the purposes of this analysis, Goldman Sachs applied an illustrative range of EV to one-year forward EBITDA multiples of 5.5x to 7.5x to the estimated one-year forward EBITDA of McDermott, per the Forecasts, for calendar years 2017 through 2020, respectively. Goldman Sachs then subtracted the book value of McDermott's debt (excluding non-controlling interests) from, and added the assumed amount of McDermott's cash and cash equivalents to, in each case as of the relevant year-end per the Forecasts, the illustrative EVs in order to calculate the implied future equity values. The implied future equity values in turn were divided by the projected year-end number of fully diluted shares of McDermott Common Stock outstanding, as provided by McDermott management. Goldman Sachs then discounted the values for fiscal years 2017 through 2020, respectively, back to September 30, 2017 using a discount rate of 18.34%, reflecting an estimate of the cost of equity for McDermott. Goldman Sachs derived such discount rate by application of the Capital Asset Pricing Model, which requires certain company-specific inputs, including the company's target capital structure weightings, the cost of long-term debt, future applicable marginal cash tax rate and a beta for the company, as well as certain financial metrics for the United States financial markets generally. The following table presents the results of Goldman Sachs' analysis:

	<b>Implied Present Value Per Share of McDermott Common Stock Using Illustrative EV to EBITDA Multiples of 5.5x to 7.5x</b>
2017E	\$5.00 - \$7.00
2018E	\$4.75 - \$6.50
2019E	\$6.75 - \$9.25
2020E	\$6.50 - \$8.50

*Combined Company.* Goldman Sachs performed an illustrative analysis of the implied present value of an illustrative future value per combined company share. For the purposes of this analysis, Goldman Sachs applied an illustrative range of EV to one-year forward EBITDA multiples of 5.5x to 7.5x to the estimated one-year forward EBITDA of the combined company, per the Forecasts, and the Synergies for the calendar years 2018 through 2020, respectively. Goldman Sachs then subtracted the book value of the combined company's debt (excluding non-controlling interests) from, and added the assumed amount of the combined company's cash and cash equivalents to, in each case as of the relevant year-end per the Forecasts, the illustrative EVs in order to calculate the implied future equity values. The implied future equity values in turn were divided by the projected year-end number of fully diluted combined company shares outstanding, as provided by McDermott. Goldman Sachs then discounted the values for fiscal years 2018 through 2020, respectively, back to September 30, 2017 using a discount rate of 15.77%, reflecting an estimate of the cost of equity for the combined company. Goldman Sachs derived such discount rate by application of the Capital Asset Pricing Model, which requires certain company-specific inputs, including the company's target capital structure weightings, the cost of long-term debt, future applicable marginal cash tax rate and a beta for the company, as well as certain financial metrics for the United States financial markets generally. The following table presents the results of Goldman Sachs' analysis:

**Implied Present Value Per Combined  
Company Share Using Illustrative EV  
to EBITDA Multiples of 5.5x to 7.5x**

2018E	\$5.75 - \$9.00
2019E	\$8.25 - \$12.00
2020E	\$8.50 - \$12.00

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*Implied Premia and Multiples Analysis.* Goldman Sachs used the exchange ratio under the Business Combination Agreement of 2.47221 shares of McDermott Common Stock (at the closing price per share of McDermott Common Stock as of December 14, 2017) for each share of CB&I Common Stock to calculate an illustrative price per share of CB&I Common Stock of \$17.95. Goldman Sachs then calculated (1) the premium (or discount) implied by such illustrative value per share of CB&I Common Stock as compared to the closing price per share of CB&I Common Stock as of December 14, 2017, the closing price per share of CB&I Common Stock as of August 9, 2017, the volume-weighted-average closing price per share of CB&I Common Stock for the 30-day and 60-day periods ended December 14, 2017 and the I/B/E/S Median Target Price per share of CB&I Common Stock as of December 14, 2017 and (2) the illustrative value per share of CB&I Common Stock as a percentage of the 52-week high price per share of CB&I Common Stock as of December 14, 2017. The following table presents the results of Goldman Sachs' analysis:

Premium / (Discount) to December 14, 2017	(0.6)%
Premium / (Discount) to August 9, 2017	9.9%
Premium / (Discount) to 30-Day Volume-Weighted-Average Price as of December 14, 2017	8.6%
Premium / Discount to 60-Day Volume-Weighted-Average Price as of December 14, 2017	10.2%
Premium / Discount to I/B/E/S Median Target Price for CB&I as of December 14, 2017	5.6%
Percentage of 52-Week High Share Price as of December 14, 2017	49.9%

Goldman Sachs then calculated an illustrative EV for CB&I, as implied by the illustrative price per share of CB&I Common Stock of \$17.95, as a multiple of CB&I's EBITDA for the fiscal years ending December 31, 2018 and 2019, based on the Forecasts and I/B/E/S estimates (the EV / EBITDA multiple). Goldman Sachs also calculated the EV / EBITDA multiples for McDermott, as implied by the closing price per share of McDermott Common Stock as of December 14, 2017, for the fiscal years ending December 31, 2018 and 2019, using the Forecasts and I/B/E/S estimates, and for the Marine E&C Companies and the Oil E&C Companies (together, the E&C Companies), as implied by the closing price per common share as of December 14, 2017, for the fiscal years ending December 31, 2018 and 2019, using I/B/E/S estimates. The following table presents the results of Goldman Sachs' analysis.

		EV / EBITDA Multiple	
		2018E	2019E
CB&I	<i>Forecasts</i>	7.1x	7.1x
	<i>I/B/E/S Estimates</i>	9.2x	8.0x
McDermott	<i>Forecasts</i>	7.2x	7.2x
	<i>I/B/E/S Estimates</i>	7.0x	5.8x
Median of E&C Companies	<i>I/B/E/S Estimates</i>	7.8x	6.8x

Goldman Sachs then calculated for the fiscal years ending December 31, 2018 and 2019 the price per share of common stock as a multiple of earnings per share of common stock (the P/E ratio), as implied by the illustrative price per share of CB&I Common Stock of \$17.95, for CB&I based on the Forecasts and I/B/E/S estimates. Goldman Sachs also calculated, for the fiscal years ending December 31, 2018 and 2019, the P/E ratios, as implied by the closing price per share of common stock as of December 14, 2017, for McDermott, based on the Forecasts and I/B/E/S estimates, and for the E&C Companies, based on I/B/E/S estimates. The following table presents the results Goldman Sachs analysis.

**P/E Ratio**

		<b>2018E</b>	<b>2019E</b>
CB&I	<i>Forecasts</i>	9.3x	9.1x
	<i>I/B/E/S Estimates</i>	9.3x	6.9x
McDermott	<i>Forecasts</i>	21.2x	23.8x
	<i>I/B/E/S Estimates</i>	19.5x	13.7x
Median of E&C Companies	<i>I/B/E/S Estimates</i>	21.4x	18.1x

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**Illustrative Financial Contribution Analysis.** Goldman Sachs performed an illustrative contribution analysis based on estimated future financial metrics, including revenue, EBITDA, EBITDA less capital expenditures ( capex ), and earnings before interest and taxes ( EBIT ), for each of McDermott and CB&I for calendar years 2017 through 2019 and 2022 based on the Forecasts. The analysis does not reflect the Synergies and reflects balance sheet items for McDermott and CB&I as of September 30, 2017, with CB&I's net debt adjusted to include an additional amount of \$323 million at the instruction of McDermott management.

Goldman Sachs performed the illustrative contribution analysis on both an unlevered and an implied levered equity basis. For the purposes of performing this analysis on an unlevered basis, Goldman Sachs calculated the relative size of contribution of each of McDermott and CB&I based on the financial metrics of each company for the calendar years 2017 through 2019 and 2022. For the purposes of performing this analysis on an implied levered equity basis, Goldman Sachs also analyzed the relative size of contribution of each of McDermott and CB&I based on illustrative levered equity values of McDermott and CB&I based on the financial metrics of each company for each of the calendar years 2017 through 2019 and 2022. Goldman Sachs derived the implied levered equity values by combining EVs for McDermott and CB&I, calculating implied blended EV multiples on the combined financial metrics of McDermott and CB&I and then applying those blended multiples to each of McDermott's and CB&I's standalone financial metrics to assign a levered equity value to each of McDermott and CB&I. Based on the relative sizes of contribution calculated based on the illustrative levered equity values described above, Goldman Sachs also calculated an implied illustrative exchange ratio for each such relative size of contribution.

The following table presents the results of this analysis:

	Implied Contribution (Unlevered)		Implied Equity Contribution (Levered)		Implied Exchange Ratio
	McDermott	CB&I	McDermott	CB&I	
<b>Revenue</b>					
2017E	30.6%	69.4%	45.4%	54.6%	3.35x
2018E	30.1%	69.9%	44.5%	55.5%	3.47x
2019E	37.9%	62.1%	56.9%	43.1%	2.11x
2022E	44.5%	55.5%	67.4%	32.6%	1.35x
<b>EBITDA</b>					
2017E	NM	NM	100%	0%	NM
2018E	35.9%	64.1%	53.7%	46.3%	2.40x
2019E	36.1%	63.9%	54.0%	46.0%	2.37x
2022E	45.6%	54.4%	69.2%	30.8%	1.24x
<b>EBITDA less Capex</b>					
2017E	NM	NM	100%	0%	NM
2018E	31.1%	68.9%	46.1%	53.9%	3.25x
2019E	28.8%	71.2%	42.5%	57.5%	3.77x
2022E	42.4%	57.6%	64.0%	36.0%	1.56x
<b>EBIT</b>					
2017E	NM	NM	100%	0%	NM
2018E	30.9%	69.1%	45.8%	54.2%	3.30x
2019E	29.8%	70.2%	44.0%	56.0%	3.55x
2022E	44.4%	55.6%	67.2%	32.8%	1.36x



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*Selected Precedent Transactions.* Goldman Sachs analyzed certain publicly available information relating to the following transactions in the construction and engineering sectors.

<b>Date Announced</b>	<b>Acquirer</b>	<b>Target</b>	<b>Transaction Value (in billions)</b>	<b>LTM EV / EBITDA Multiple</b>
August 2017	Jacobs Engineering Group Inc.	CH2M HILL Companies Ltd.	\$3.3	10.1x
April 2017	SNC-Lavalin Group Inc.	WS Atkins plc	\$2.7	9.6x
March 2017	John Wood Group PLC	Amec Foster Wheeler plc	\$4.0	9.7x
May 2016	FMC Technologies, Inc.	Technip S.A.	\$5.5	8.7x
March 2016	Stantec Inc.	MWH Global, Inc.	\$0.8	9.5x
December 2015	Fluor Corporation	Stork Holding B.V.	\$0.8	7.0x
November 2015	Team, Inc.	Furmanite Corporation	\$0.3	~10.0x - 11.0x
August 2015	Kohlberg & Company, L.L.C.	Osмосе Utilities Services, Inc.	\$0.6	11.0x
August 2014	Court Square Capital Partners	Pike Corporation	\$0.6	8.4x
July 2014	ARCADIS N.V.	Hyder Consulting PLC	\$0.4	10.5x
July 2014	Aecom Technology Corp.	URS Corp.	\$5.8	8.6x
June 2014	SNC-Lavalin Group, Inc.	Kentz Corporation Limited	\$1.7	9.6x
February 2014	Amec Plc	Foster Wheeler AG	\$3.0	10.5x
September 2013	First Reserve Corporation	Utility Services Associates, Inc.	\$0.3	6.3x
April 2013	Kelso & Company	PowerTeam Services, LLC	\$0.8	~8.8x
December 2012	Kelso & Company	Power Holdings	\$0.4	8.5x
July 2012	CB&I	Shaw Group	\$2.7	7.0x
February 2012	URS Corporation	Flint Energy Services Ltd.	\$1.5	9.6x
September 2011	Technip S.A.	Global Industries, Ltd	\$1.1	NM
March 2010	Willbros Group, Inc.	InfrastruX Group, Inc.	\$0.5	14.5x
November 2009	MasTec, Inc.	Precision Pipeline LLC	\$0.2	2.8x
September 2009	Quanta Services, Inc.	Price Gregory	\$0.4	1.9x

Services,

Incorporated

October 2008	MasTec Inc.	Wanzek	\$0.2	3.8x
		Construction, Inc.		
August 2007	Quanta Services, Inc.	InfraSource	\$1.3	13.1x
		Services, Inc.		
November 2006	InfrastruX Group, Inc.	Hawkeye LLC	\$0.1	6.2x
May 2006	Tenaska Power Fund, L.P.	InfrastruX Group,	\$0.3	5.6x
		Inc.		
May 2004	Grupo Isolux Wat	Corsán Corviam	\$0.4	11.1x
		Group		
April 2000	GPU, Inc.	MYR Group Inc.	\$0.2	9.5x



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Although none of the selected transactions is directly comparable to the contemplated transactions, the target companies in the selected transactions are involved in the construction and engineering industries such that, for purposes of analysis, the selected transactions may be considered similar to the contemplated transactions.

With respect to each of the selected transactions for which relevant information was publicly available, Goldman Sachs calculated the EV of the target company, as implied by the merger value, as a multiple of the target company's EBITDA, based on publicly available information, for the last 12-month period ( LTM ) prior to the announcement of the merger, or the LTM EV / EBITDA multiple. This analysis, the results of which are presented in the table above, resulted in a median LTM EV / EBITDA multiple of 9.5x, a high LTM EV / EBITDA multiple of 14.5x and a low LTM EV/ EBITDA multiple of 1.9x.

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Goldman Sachs' opinion. In arriving at its fairness determination, Goldman Sachs considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis considered by it. Rather, Goldman Sachs made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses. No company or transaction used in the above analyses as a comparison is directly comparable to McDermott or CB&I or the contemplated transactions.

Goldman Sachs prepared these analyses for purposes of Goldman Sachs' providing its opinion to the McDermott Board as to the fairness from a financial point of view to McDermott of the 2.47221, or, if the McDermott Reverse Stock Split has occurred prior to the date on which the Exchange Offer Effective Time occurs, 0.82407, shares of McDermott Common Stock to be paid by McDermott Bidco pursuant to the Business Combination Agreement. These analyses do not purport to be appraisals nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of McDermott, CB&I, Goldman Sachs or any other person assumes responsibility if future results are materially different from those forecast.

The merger consideration was determined through arm's-length negotiations between McDermott and CB&I and was approved by the McDermott Board. Goldman Sachs provided advice to McDermott during these negotiations. Goldman Sachs did not, however, recommend any specific amount of consideration to McDermott or its board of directors or that any specific amount of consideration constituted the only appropriate consideration for the contemplated transactions.

As described above, Goldman Sachs' opinion to the McDermott Board was one of many factors taken into consideration by the McDermott Board in making its determination to approve the Business Combination Agreement. The foregoing summary does not purport to be a complete description of the analyses performed by Goldman Sachs in connection with the fairness opinion and is qualified in its entirety by reference to the written opinion of Goldman Sachs attached as Annex B.

Goldman Sachs and its affiliates are engaged in advisory, underwriting and financing, principal investing, sales and trading, research, investment management and other financial and non-financial activities and services for various persons and entities. Goldman Sachs and its affiliates and employees, and funds or other entities in which they invest or with which they co-invest, may at any time purchase, sell, hold or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments of

McDermott, CB&I, any of their respective affiliates and third parties, or any currency or commodity that may be involved in the contemplated transactions for the accounts of Goldman Sachs and its affiliates and employees and their customers. Goldman Sachs acted as financial advisor to McDermott in connection with, and participated in certain of the negotiations leading to, the contemplated transactions. During

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the two year period ended December 18, 2017, the Investment Banking Division of Goldman Sachs has not been engaged by McDermott, CB&I or any of their respective affiliates to provide financial advisory or underwriting services for which Goldman Sachs has received compensation. Goldman Sachs may in the future provide investment banking services to McDermott, CB&I and their respective affiliates for which the Investment Banking Division of Goldman Sachs may receive compensation.

The McDermott Board selected Goldman Sachs as its financial advisor because it is an internationally recognized investment banking firm that has substantial experience in transactions similar to the contemplated transactions. Pursuant to a letter agreement dated December 15, 2017, McDermott engaged Goldman Sachs to act as its financial advisor in connection with the contemplated transactions. The engagement letter between McDermott and Goldman Sachs provides for a transaction fee of \$16 million, all of which is contingent upon consummation of the contemplated transactions. In addition, McDermott has agreed to reimburse Goldman Sachs for certain of its expenses, including attorneys' fees and disbursements, and to indemnify Goldman Sachs and related persons against various liabilities, including certain liabilities under the federal securities laws.

***Greenhill & Co., LLC***

McDermott has retained Greenhill & Co., LLC ( Greenhill ) as one of its financial advisors in connection with the Combination. As part of Greenhill's engagement, the McDermott Board requested that Greenhill evaluate the fairness, from a financial point of view, to McDermott of the Exchange Offer Ratio to be paid pursuant to the Business Combination Agreement. At the December 17, 2017 meeting of the McDermott Board held to evaluate the Combination, Greenhill rendered an oral opinion, confirmed by delivery of a written opinion dated as of December 18, 2017, to the effect that, as of such date and subject to and based on the various assumptions made, procedures followed, matters considered and qualifications and limitations of the review set forth therein, the Exchange Offer Ratio to be paid pursuant to the Business Combination Agreement was fair, from a financial point of view, to McDermott.

**The full text of the written opinion of Greenhill, dated as of December 18, 2017, which discusses, among other things, the assumptions made, procedures followed, matters considered, and qualifications and limitations of the review undertaken by Greenhill in rendering its opinion, is attached to this document as Annex C and is incorporated herein by reference. The summary of the Greenhill opinion provided in this document is qualified in its entirety by reference to the full text of the opinion. McDermott stockholders are urged to read the Greenhill opinion carefully and in its entirety. The Greenhill opinion is solely for the information of the McDermott Board, in its capacity as such, and addresses only the fairness, from a financial point of view, to McDermott of the Exchange Offer Ratio to be paid pursuant to the Business Combination Agreement as of the date of the opinion. Greenhill was not requested to opine as to, and its opinion does not in any manner address, the underlying business decision to proceed with or effect the Combination or any related transactions, or the relative merits of the Combination as compared to other potential strategies or transactions that may be available to McDermott. The Greenhill opinion is not intended to be and does not constitute a recommendation to the members of the McDermott Board as to whether they should approve the Combination or the Business Combination Agreement or take any other action in connection therewith, nor does it constitute a recommendation as to how any stockholder should vote on any matter or otherwise act with respect to the Combination.**

For purposes of its opinion, Greenhill, among other things:

reviewed the draft of the Business Combination Agreement, dated as of December 16, 2017, and certain related documents;

reviewed certain publicly available financial statements of each of McDermott and CB&I;

reviewed certain other publicly available business, operating and financial information relating to each of McDermott and CB&I;

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reviewed certain information, including financial forecasts and other financial and operating data concerning McDermott, prepared by the management of McDermott (in this section of this document, such forecasts and other data are referred to as the McDermott Forecasts ), in each case that the McDermott Board directed Greenhill to utilize for purposes of Greenhill's analysis;

reviewed certain information, including financial forecasts and other financial and operating data concerning CB&I, prepared by the management of CB&I, and including certain estimates made by the management of McDermott (in this section of this document, such forecasts and other data are referred to as the CB&I Forecasts ), in each case that the McDermott Board directed Greenhill to utilize for purposes of Greenhill's analysis;

discussed the past and present operations and financial condition and the prospects of McDermott with senior executives of McDermott;

discussed the past and present operations and financial condition and the prospects of CB&I with senior executives of CB&I and McDermott;

reviewed certain information regarding the amount and timing of potential cost efficiencies and certain financial and operational benefits anticipated to result from the Combination prepared by management of McDermott, with input from a management consultation firm retained by McDermott in connection with the Combination, and approved for Greenhill's use by McDermott (in this section of this document, referred to as the Synergies );

reviewed the historical market prices and trading activity for McDermott Common Stock and CB&I Common Stock and analyzed their respective implied valuation multiples and historical exchange ratios;

compared the trading value of McDermott Common Stock and CB&I Common Stock with values for McDermott Common Stock and CB&I Common Stock, respectively, derived based on certain financial information and the trading valuations of certain publicly traded companies that Greenhill deemed relevant;

conducted a sum-of-the-parts analysis for selected businesses of CB&I, derived based on certain financial information and the trading valuations of certain publicly traded companies that Greenhill deemed relevant;

analyzed the valuation derived by discounting future unlevered cash flows and a terminal value for each of McDermott and CB&I at discount rates Greenhill deemed appropriate;

analyzed the relative contributions of McDermott and CB&I to the pro forma combined business, based upon a number of metrics that Greenhill deemed relevant;

participated in discussions and negotiations among representatives of McDermott and its legal advisors and other financial advisors and representatives of CB&I and its legal and financial advisors; and

performed such other analyses and considered such other factors as Greenhill deemed appropriate.

In arriving at its opinion, Greenhill assumed and relied upon, without independent verification, the accuracy and completeness of the information and data publicly available, supplied or otherwise made available to, or reviewed by or discussed with Greenhill for the purposes of its opinion and further relied upon the assurances of the representatives and management of McDermott and CB&I, as applicable, that they were not aware of any facts or circumstances that would make any such information inaccurate, incomplete or misleading. With respect to the McDermott Forecasts and the Synergies, Greenhill assumed that such McDermott Forecasts and Synergies, including the underlying assumptions, were reasonably prepared on a basis reflecting the best currently available estimates and good faith judgments of the management of McDermott, and Greenhill relied upon the McDermott Forecasts and the Synergies in arriving at its opinion. With respect to the CB&I Forecasts, Greenhill assumed that such CB&I Forecasts, including the underlying assumptions, were reasonably prepared on a basis reflecting

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the best currently available estimates and good faith judgments of the management of CB&I and McDermott, and Greenhill relied upon the CB&I Forecasts in arriving at its opinion. Greenhill expressed no opinion with respect to the McDermott Forecasts, the CB&I Forecasts or the Synergies or the assumptions upon which they were based. Greenhill relied upon the assessments of the representatives and management of McDermott and CB&I, as applicable, as to, among other things, (1) the potential tax impacts of the Combination and anticipated tax rates applicable to McDermott and CB&I, (2) the amount and nature of certain CB&I contingent legal liabilities and (3) the amount and nature of certain anticipated CB&I project losses.

In arriving at its opinion, Greenhill made no independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of McDermott or CB&I or any other entity, nor was Greenhill furnished with any such evaluation or appraisal. Greenhill assumed that the Combination will be consummated in accordance with the terms set forth in the final, executed Business Combination Agreement, which Greenhill further assumed was identical in all material respects to the latest draft thereof it reviewed, and without waiver or amendment of any material terms or conditions set forth in the Business Combination Agreement. Greenhill further assumed that all governmental, regulatory and other consents and approvals necessary for the consummation of the Combination will be obtained without any adverse effect on McDermott, CB&I, the Combination or the contemplated benefits of the Combination in any way meaningful to Greenhill's analysis. Greenhill is not a legal, regulatory, accounting or tax expert and relied on the assessments made by McDermott and CB&I and their respective advisors with respect to such issues. Greenhill's opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Greenhill as of, the date of the written opinion. It should be understood that subsequent developments may affect Greenhill's opinion, and Greenhill does not have any obligation to update, revise, or reaffirm its opinion.

## **Summary of Greenhill's Financial Analysis**

The following is a summary of the material financial and comparative analyses contained in the presentation that was made by Greenhill to the McDermott Board in connection with rendering its opinion described above. The following summary, however, does not purport to be a complete description of the analyses performed by Greenhill, nor does the order of analyses described represent the relative importance or weight given to those analyses by Greenhill. Some of the summaries of the financial analyses include information presented in tabular format. In order to fully understand the financial analyses performed by Greenhill, the tables must be read together with the full text of each summary and are not alone a complete description of Greenhill's financial analyses. Considering the data set forth in the tables below without considering the narrative description of the financial analyses, including the methodologies and assumptions underlying such analyses, could create a misleading or incomplete view of Greenhill's financial analysis.

## ***Selected Comparable Company Analysis***

Greenhill performed a whole company comparable company analysis, which compared selected financial information, ratios and multiples for McDermott and CB&I to the corresponding data for publicly traded companies selected by Greenhill. As part of the comparable company analysis, Greenhill also performed a sum-of-the-parts analysis for CB&I, which compared selected financial information, ratios and multiples for CB&I's technology business, engineering and construction business and fabrication services business to the corresponding data for publicly traded companies selected by Greenhill that had businesses which were comparable to the CB&I businesses analyzed.

The companies used in the McDermott whole company comparison were:

John Wood Group PLC;

Aker ASA;

Fluor Corporation;



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TechnipFMC plc;

Subsea 7 S.A.; and

Saipem SPA.

The companies used in the CB&I whole company comparison were:

Jacobs Engineering Group Inc.;

John Wood Group PLC;

WorleyParsons Limited;

Tecnicas Reunidas, S.A.;

Fluor Corporation;

KBR, Inc.;

Petrofac Limited; and

Maire Tecnimont SpA.

Although none of the selected companies is directly comparable to McDermott or CB&I, Greenhill selected each of the above-listed companies because, among other reasons, they are publicly traded companies with operations or businesses in related sectors or for purposes of analysis may be considered similar or reasonably similar to the operations of McDermott or CB&I, as applicable. However, because of the inherent differences between the business, operations and prospects of McDermott and CB&I and those of the selected companies, Greenhill believed that it was inappropriate to, and therefore did not, rely solely on the numerical results of the selected company analysis. Accordingly, Greenhill also made qualitative judgments concerning differences between the business, financial and operating characteristics and prospects of McDermott and CB&I and the selected companies that could affect the public trading values of each in order to provide a context in which to consider the results of the quantitative analysis. These qualitative judgments related primarily to the differing sizes, growth prospects, revenue mix, profitability levels and degree of operational risk between McDermott and CB&I and the companies included in the selected company analysis. Greenhill also made judgments as to the relative comparability of the various valuation parameters with respect to those companies. Greenhill's analysis was based on publicly available data and information for the selected companies, including information published by FactSet Research Systems Inc. and public filings, the McDermott Forecasts and the CB&I Forecasts.

For each of the selected companies, Greenhill compared financial information and reviewed, among other information, the ratio of enterprise value (which we refer to in this section of this document as "EV") which was calculated as fully diluted equity value derived by multiplying the number of fully diluted outstanding shares of that company as reported in its most recent public filings by the company's common stock closing share price on December 14, 2017, plus the book value of debt, plus minority interest, less cash and cash equivalents, less investments in unconsolidated affiliates, as a multiple of estimated earnings from operations before interest expense, income taxes and depreciation and amortization (which we refer to in this section of this document as "EBITDA") for 2018 and 2019. For each of the selected companies, Greenhill also reviewed the ratio of EV as a multiple of EBITDA less capital expenditures, which was calculated as EBITDA less estimated expenses associated with capital expenditures (which we refer to in this section of this document as "EBITDA Capex"), for 2018 and 2019. The multiple ranges resulting from these analyses are summarized below:

Metric	McDermott Comparison			CB&I Comparison		
	Average of Selected Companies	Low	High	Average of Selected Companies	Low	High
<b>2018E EV/EBITDA</b>	7.7x	5.3x	10.4x	8.7x	6.2x	10.6x
<b>2019E EV/EBITDA</b>	7.0x	5.1x	8.8x	7.6x	6.0x	9.5x
<b>2018E EV/EBITDA Capex</b>	10.6x	8.1x	13.6x	10.3x	6.4x	13.0x
<b>2019E EV/EBITDA Capex</b>	10.0x	8.2x	13.8x	8.9x	6.2x	11.0x

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The average multiples exclude McDermott and CB&I. From these analyses, based on its professional judgment and experience, Greenhill selected the following ranges of multiples it deemed most meaningful for its analysis:

Metric	McDermott Comparison	CB&I Comparison
	Multiple Range	Multiple Range
2018E EV/EBITDA	6.5x-7.5x	6.5x-7.5x
2019E EV/EBITDA	6.5x-7.5x	6.5x-7.5x
2018E EV/EBITDA Capex	8.5x-9.5x	7.5x-8.5x
2019E EV/EBITDA Capex	8.5x-9.5x	7.5x-8.5x

Greenhill applied such ranges of multiples to the corresponding McDermott Forecasts and CB&I Forecasts and, as a result, arrived at high and low implied estimated McDermott and CB&I EVs. Greenhill then subtracted net debt to calculate the high and low implied estimated McDermott and CB&I equity values and implied estimated per share values for the McDermott Common Stock and the CB&I Common Stock. Projected net debt amounts as of December 31, 2017 for McDermott and CB&I were \$195 million and \$2,061 million, respectively, as provided in the McDermott Forecasts and the CB&I Forecasts. The results of these analyses are summarized below:

Metric	McDermott				CB&I			
	Implied Equity Value		Implied Share Price		Implied Equity Value		Implied Share Price	
	Low	High	Low	High	Low	High	Low	High
2018E EV/ EBITDA	\$ 1,836	\$ 2,149	\$ 6.27	\$ 7.34	\$ 1,567	\$ 2,126	\$ 14.93	\$ 20.24
2019E EV/ EBITDA	1,841	2,154	6.29	7.36	1,548	2,103	14.75	20.03
2018E EV/ EBITDA Capex	1,821	2,058	6.22	7.03	1,877	2,402	17.88	22.87
2019E EV/ EBITDA Capex	1,570	1,778	5.36	6.07	1,781	2,293	16.96	21.84

Greenhill then used the above implied estimated equity values and implied estimated per share values to calculate for each metric (1) an implied McDermott ownership percentage in the combined business utilizing the high McDermott implied equity value and the low CB&I implied equity value, (2) an implied McDermott ownership percentage in the combined business utilizing the low McDermott implied equity value and the high CB&I implied equity value, (3) an implied exchange ratio utilizing the high McDermott implied equity value and the low CB&I implied equity value and (4) an implied exchange ratio utilizing the low McDermott implied equity value and the high CB&I implied equity value. Greenhill compared these ranges to the proposed Exchange Offer Ratio and resulting pro forma ownership in the combined business. The results of these analyses are summarized below:

Metric	Implied McDermott Ownership Percentage in Combined Business		Implied Exchange Ratio	
	High McDermott / Low CB&I		High McDermott / Low CB&I	
	Low CB&I	Low McDermott / High CB&I	Low CB&I	Low McDermott / High CB&I
2018E EV/ EBITDA	57.8%	46.4%	2.03393x	3.22615x
2019E EV/ EBITDA	58.2%	46.7%	2.00443x	3.18511x

<b>2018E EV/ EBITDA Capex</b>	52.3%	43.1%	2.54247x	3.67616x
<b>2019E EV/ EBITDA Capex</b>	50.0%	40.6%	2.79288x	4.07035x
<b>Sum of the Parts Analysis</b>				

The companies used in the CB&I technology business comparison were:

Albemarle Corporation;

Honeywell International Inc.;

WR Grace and Company;

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PolyOne Corporation;

Eastman Chemical Company;

Stepan Company;

HB Fuller Company;

KBR, Inc.; and

Maire Tecnimont SpA.

For its analysis of CB&I's engineering and construction and fabrication services businesses, Greenhill utilized the selected companies included in the CB&I whole company comparison described above under **Comparable Company Analysis**.

Although none of the selected companies is directly comparable to CB&I's technology business or CB&I's engineering and construction and fabrication services businesses, Greenhill selected each of the selected companies because, among other reasons, they are publicly traded companies with operations or businesses that for purposes of analysis may be considered similar or reasonably similar to the operations of CB&I's technology business or CB&I's engineering and construction and fabrication services businesses, as applicable. However, because of the inherent differences between the business, operations and prospects of CB&I's businesses and those of the selected companies, Greenhill believed that it was inappropriate to, and therefore did not, rely solely on the numerical results of the selected company analysis. Accordingly, Greenhill also made qualitative judgments concerning differences between the business, financial and operating characteristics and prospects of CB&I's technology business, CB&I's engineering and construction and fabrication services businesses and the businesses of the selected companies that could affect the public trading values of each in order to provide a context in which to consider the results of the quantitative analysis. These qualitative judgments related primarily to the differing sizes, growth prospects, revenue mix, profitability levels and degree of operational risk between CB&I's technology business, CB&I's engineering and construction and fabrication services businesses and the companies included in this analysis. Greenhill also made judgments as to the relative comparability of the various valuation parameters with respect to those companies. Greenhill's analysis was based on publicly available data and information for the selected companies, including information published by FactSet Research Systems Inc. and public filings, and the CB&I Forecasts.

For each of the selected companies, Greenhill compared financial information and reviewed, among other information, the ratio of EV as a multiple of estimated 2018 EBITDA. The multiple ranges resulting from the analysis of the selected companies in the CB&I technology business comparison is summarized below.

	<b>Average of Selected Companies</b>	<b>Low</b>	<b>High</b>
CB&I technology business	9.6x	6.2x	14.8x

From these analyses, based on its professional judgment and experience, Greenhill selected the following ranges of multiples of EV to estimated 2018 EBITDA for CB&I's technology business and CB&I's engineering and construction and fabrication services businesses it deemed most meaningful for its analysis:

	<b>Low</b>	<b>High</b>
CB&I engineering and construction and fabrication services businesses	4.0x	6.0x
CB&I technology business	9.0x	11.0x

Greenhill calculated a range of implied per share prices for CB&I Common Stock by dividing: (1) the sum of the ranges of implied EVs for each of CB&I's technology business and CB&I's engineering and construction and fabrication services businesses, plus CB&I's projected cash balance as of December 31, 2017 as included in the CB&I Forecasts, less CB&I's projected net debt amount as of December 31, 2017 as included in the CB&I

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Forecasts; by (2) the number of fully diluted shares of CB&I Common Stock outstanding as of December 7, 2017, as determined by management of CB&I. The following table reflects the reference ranges of multiples and implied EVs calculated by Greenhill in performing this analysis:

(\$ in millions, except per share amounts)	2018E	Multiple		Implied EV	
	EBITDA	Low	High	Low	High
CB&I engineering and construction and fabrication services businesses	\$ 321	4.0x	6.0x	\$ 1,284	\$ 1,927
CB&I technology business	237	9.0x	11.0x	2,134	2,608
<b>Implied EV</b>	<b>\$ 558</b>			<b>\$ 3,418</b>	<b>\$ 4,534</b>

Greenhill used the results of the above analyses to calculate a range of implied estimated equity values and estimated per share prices for the CB&I Common Stock. Market data utilized by Greenhill was as of December 14, 2017. Fully diluted shares of CB&I Common Stock outstanding were as of December 7, 2017, as determined by CB&I management. CB&I's projected net debt amount as of December 31, 2017 was \$2,061 million, as provided in the CB&I Forecasts. The following table reflects the high and low implied estimated CB&I equity values and high and low implied estimated per share values for the CB&I Common Stock calculated by Greenhill in performing these analyses:

(\$ in millions, except per share amounts)			
Implied Equity Value		Implied Share Price	
Low	High	Low	High
\$ 1,357	\$ 2,474	\$ 12.93	\$ 23.55

Greenhill then used the above implied estimated equity values and implied estimated per share values for CB&I and the implied estimated equity values and implied estimated per share values calculated for McDermott in the McDermott whole company comparison described above under Comparable Company Analysis for 2018E EV/EBITDA, to calculate (1) an implied McDermott ownership percentage in the combined business utilizing the high McDermott implied equity value and the low CB&I implied equity value, (2) an implied McDermott ownership percentage in the combined business utilizing the low McDermott implied equity value and the high CB&I implied equity value, (3) an implied exchange ratio utilizing the high McDermott implied equity value and the low CB&I implied equity value and (4) an implied exchange ratio utilizing the low McDermott implied equity value and the high CB&I implied equity value. Greenhill compared these ranges to the proposed Exchange Offer Ratio and resulting pro forma ownership in the combined business. The results of these analyses are summarized below:

Implied McDermott Ownership Percentage in Combined Business		Implied Exchange Ratio	
High McDermott / Low	Low McDermott / High	High McDermott / Low	Low McDermott / High
CB&I	CB&I	CB&I	CB&I
61.3%	42.6%	1.76175x	3.75365x

## **Discounted Cash Flow Analysis**

Greenhill performed separate discounted cash flow analyses of McDermott and CB&I by calculating the estimated present value of the standalone unlevered, after-tax free cash flows that McDermott and CB&I were projected to generate during the fiscal years ending December 31, 2018 through December 31, 2022. In these analyses, Greenhill utilized projections included in the McDermott Forecasts and the CB&I Forecasts, as applicable. For purposes of the CB&I analysis potential tax savings expected to be realized through the utilization of CB&I's net operating loss carryforwards on a standalone basis were taken into account based on estimates made by McDermott management. Greenhill calculated terminal values for McDermott and CB&I by applying to McDermott's and CB&I's respective standalone unlevered, after-tax free cash flows for the fiscal year ending December 31, 2022 a selected range of perpetuity growth rates of 2.00% to 3.00%. The present



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values (as of December 31, 2017) of McDermott's and CB&I's respective cash \$6,698 and terminal values were then calculated using a selected discount rate range of, in the case of McDermott, 12.0% to 14.0%, and, in the case of CB&I, 10.75% to 12.75%.

Greenhill used the results of the discounted cash flow analyses to calculate a range of implied estimated equity values and estimated per share prices for the McDermott Common Stock and the CB&I Common Stock. Market data utilized by Greenhill was as of December 14, 2017. Fully diluted shares of CB&I Common Stock outstanding were as of December 7, 2017, as determined by CB&I management. Fully diluted shares of McDermott Common Stock outstanding were as of November 30, 2017, as determined by McDermott management. Projected net debt amounts as of December 31, 2017 for McDermott and CB&I were \$195 million and \$2,061 million, respectively, as provided in the McDermott Forecasts and the CB&I Forecasts. The following table reflects the high and low implied estimated McDermott and CB&I equity values and high and low implied estimated per share values for the McDermott Common Stock and the CB&I Common Stock calculated by Greenhill in performing these analyses:

(\$ in millions, except per share amounts)

McDermott				CB&I			
Implied Equity Value		Implied Share Price		Implied Equity Value		Implied Share Price	
Low	High	Low	High	Low	High	Low	High
\$ 2,524	\$ 3,369	\$ 8.62	\$ 11.51	\$ 1,802	\$ 3,185	\$ 17.17	\$ 30.33

Greenhill used the high and low implied estimated McDermott and CB&I equity values and high and low implied estimated per share values for the McDermott Common Stock and the CB&I Common Stock to calculate (1) an implied McDermott ownership percentage in the combined business utilizing the high McDermott implied equity value and the low CB&I equity value, (2) an implied McDermott ownership percentage in the combined business utilizing the low McDermott implied equity value and the high CB&I implied equity value, (3) an implied exchange ratio utilizing the high McDermott implied equity value and the low implied equity value and (4) an implied exchange ratio utilizing the low McDermott implied equity value and the high CB&I implied equity value. Greenhill compared these ranges to the proposed Exchange Offer Ratio and resulting pro forma ownership in the combined business. The results of these analyses are summarized below:

Implied McDermott Ownership Percentage in Combined Business		Implied Exchange Ratio	
High McDermott / Low	Low McDermott / High	High McDermott / Low	Low McDermott / High
CB&I	CB&I	CB&I	CB&I
65.2%	44.2%	1.49120x	3.51774x

**Contribution Analysis**

Greenhill performed a contribution analysis, which reviewed the pro forma contributions of each of McDermott and CB&I to the combined business based on certain operational and financial metrics, including estimated revenue, estimated EBITDA and estimated EBITDA Capex. Estimated implied levered equity contributions were calculated by combining EVs for McDermott and CB&I, then calculating implied estimated blended EV multiples using combined metrics, and applying those multiples to each company's individual metrics and subtracting each company's projected net debt as of December 31, 2017. Greenhill's analysis was based on the McDermott Forecasts and the CB&I Forecasts. Projected net debt amounts as of December 31, 2017 for McDermott and CB&I were \$195 million and \$2,061 million, respectively, as provided in the McDermott Forecasts and the CB&I Forecasts. Synergies were not

included in this analysis.

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The computations described above resulted in the following estimates of implied relative equity contributions, pro forma ownership and exchange ratios:

(\$ in millions)	Implied Relative Equity Contribution (Levered)		
	McDermott	CB&I	Implied Exchange Ratio
<b>Revenue</b>			
2017E	43.0%	57.0%	3.69561x
2018E	42.2%	57.8%	3.82454x
2019E	54.3%	45.7%	2.34530x
2020E	61.5%	38.5%	1.74329x
<b>EBITDA</b>			
2017E	not meaningful	not meaningful	not meaningful
2018E	51.2%	48.8%	2.65900x
2019E	51.4%	48.6%	2.63076x
2020E	61.8%	38.2%	1.72312x
<b>EBITDA Capex</b>			
2017E	not meaningful	not meaningful	not meaningful
2018E	43.7%	56.3%	3.58723x
2019E	40.2%	59.8%	4.14896x
2020E	55.1%	44.9%	2.27437x

Greenhill compared these implied exchange ratios to the proposed Exchange Offer Ratio.

**Precedent Transactions Analysis**

Greenhill performed an analysis of selected recent business combinations involving target companies in the engineering and construction industry that in Greenhill's judgment were relevant for its analysis. This analysis was based on publicly available information, including public filings and investor presentations, and the Capital IQ database. Although Greenhill analyzed the multiples implied by the selected transactions, none of these transactions or associated companies is identical to the Combination, McDermott or CB&I. Accordingly, Greenhill's analysis of the selected transactions necessarily involved complex considerations and judgments concerning the differences in financial and operating characteristics, the parties involved and the terms of their transactions and other factors that would necessarily affect the implied value of the companies in the selected transactions.

Greenhill reviewed the consideration paid in the transactions and analyzed the EV implied by such consideration as a multiple of last-12-month revenue (for the 12-month period prior to the fiscal quarter in which the transaction was announced) and as a multiple of last-12-month EBITDA (for the 12-month period prior to the fiscal quarter in which the transaction was announced).

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The following table identifies the selected transactions reviewed by Greenhill in this analysis and the EVs, EV/last-12-month revenue multiples and EV/last-12-month EBITDA multiples calculated for such transactions:

(\$ in millions)

<b>Date Announced</b>	<b>Acquiror</b>	<b>Target</b>	<b>EV</b>	<b>EV/ LTM Revenue</b>	<b>EV/ LTM EBITDA</b>
August 2017	Jacobs Engineering Group Inc.	CH2M Hill Companies Ltd.	\$ 3,270	0.74x	10.1x
April 2017	SNC-Lavalin Group Inc.	WS Atkins plc	2,677	1.00x	9.6x
March 2017	John Wood Group PLC	Amec Foster Wheeler plc	4,030	0.61x	9.7x
October 2016	General Electric Company	Baker Hughes Incorporated	31,685	1.95x	11.0x
May 2016	FMC Technologies, Inc.	Technip S.A.	5,489	0.93x	8.7x
March 2016	Stantec Inc.	MWH Global, Inc.	795	0.62x	9.5x
July 2014	Arcadis NV	Hyder Consulting	419	0.84x	10.5x
July 2014	AECOM Technology Corporation	URS Corporation	5,748	0.55x	8.6x
June 2014	SNC-Lavalin Group Inc.	Kentz Corporation Limited	1,689	0.79x	9.6x
February 2014	AMEC plc	Foster Wheeler AG	2,891	0.87x	10.5x
September 2013	Jacobs Engineering Group Inc.	Sinclair Knight Merz	1,100	0.91x	6.6x
July 2012	CB&I	The Shaw Group, Inc.	2,744	0.45x	7.0x
February 2012	URS Corporation	Flint Energy Services Ltd	1,466	0.90x	9.6x
September 2011	Technip S.A.	Global Industries, Ltd.	1,053	1.94x	not

meaningful

Using the above results, Greenhill derived reference ranges of multiples paid in the precedent transactions as summarized below:

	<b>EV/LTM Revenue</b>	<b>EV/LTM EBITDA</b>
<b>Mean</b>	0.94x	9.2x
<b>Median</b>	0.85x	9.6x
<b>High</b>	1.95x	11.0x
<b>Low</b>	0.45x	6.6x

**General**

The summary set forth above does not purport to be a complete description of the analyses performed by Greenhill, but simply describes, in summary form, the material analyses that Greenhill conducted in connection with rendering its opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. In arriving at its opinion, Greenhill did not attribute any particular weight to any analyses or factors considered by it and did not form an opinion as to whether any individual analysis or factor, considered in isolation, supported or failed to support its opinion. Rather, Greenhill considered the totality of the factors and analyses performed in determining its opinion. Accordingly, Greenhill believes that the summary set forth above and its analyses must be considered as a whole and that selecting portions thereof, without considering all of its analyses, could create an incomplete view of the processes underlying its analyses and opinion. Greenhill based its analyses on assumptions that it deemed reasonable, including assumptions concerning general business and economic conditions and industry-specific factors. Analyses based on forecasts or projections of future results are inherently

uncertain, as they are subject to numerous factors or events beyond the control of the parties or their advisors. Accordingly, Greenhill's analyses are not necessarily indicative of actual values or actual future results that might be achieved, which values may be higher or lower than those indicated. Moreover, Greenhill's analyses are not and do not purport to be appraisals or otherwise reflective of the prices at which businesses actually could be bought or sold. In addition, no company or transaction used in Greenhill's analysis as a comparison is directly comparable to McDermott, CB&I or the Combination. Because these analyses are inherently subject to uncertainty, being based on numerous factors or events beyond the control of the parties or their respective advisors, none of McDermott,

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CB&I or Greenhill or any other person assumes responsibility if future results are materially different from those forecasts or projections.

The Exchange Offer Ratio to be paid pursuant to the Business Combination Agreement was determined through arms length negotiations between McDermott and CB&I and was approved by the McDermott Board. Greenhill provided advice to the McDermott Board during these negotiations. Greenhill did not, however, recommend any specific exchange ratio to McDermott or the McDermott Board or that any specific exchange ratio constituted the only appropriate consideration for the Combination. Greenhill's opinion did not in any manner address the underlying business decision to proceed with or effect the Combination.

Greenhill's opinion was approved by Greenhill's fairness opinion committee.

Greenhill has acted as financial advisor to McDermott in connection with the Combination. During the two years ended December 18, 2017, Greenhill has not been engaged by, performed any services for or received any compensation from McDermott, CB&I or any other parties to the Combination or their respective affiliates, other than amounts that were paid to Greenhill under the letter agreement pursuant to which Greenhill was retained as a financial advisor to McDermott in connection with the Combination.

In connection with the Combination, McDermott has agreed to pay Greenhill a fee of \$16 million, of which \$3.2 million was paid in connection with the delivery of the opinion and the remainder of which is contingent on completion of the Combination. McDermott has also agreed to reimburse Greenhill for certain out-of-pocket expenses incurred by it in connection with its engagement and will indemnify Greenhill against certain liabilities that may arise out of its engagement.

Greenhill is an internationally recognized investment banking firm regularly engaged in providing financial advisory services in connection with mergers and acquisitions. McDermott selected Greenhill as its financial advisor in connection with the Combination on the basis of Greenhill's experience in similar transactions, its reputation in the investment community and its familiarity with the engineering and construction business.

Greenhill's opinion was one of the many factors considered by the McDermott Board in its evaluation of the Combination and should not be viewed as determinative of the views of the McDermott Board with respect to the Combination.

## **CB&I's Reasons for the Combination; Recommendation of the CB&I Boards**

After careful consideration and consultation with outside legal and financial advisors, the CB&I Boards, in meetings held on December 17, 2017: (1) determined that the Core Transactions and the Exchange Offer and the other transactions contemplated by the Business Combination Agreement (and any prior or subsequent (legal or other) acts necessary or desirable to effectuate or implement the transactions contemplated by the Business Combination Agreement) are in the best interests of CB&I and its business, taking into account the interests of the shareholders, creditors, employees and other stakeholders of CB&I and the CB&I group; (2) approved the Business Combination Agreement and CB&I's execution, delivery and performance of the Business Combination Agreement and the consummation of the transactions contemplated thereby; (3) resolved to recommend approval and adoption by the holders of shares of CB&I Common Stock of the Merger Resolution, the Sale Resolutions, the Liquidation Resolutions and the Discharge Resolutions; and (4) resolved to support the Exchange Offer and to recommend acceptance of the Exchange Offer by the shareholders of CB&I, in each case upon the terms and subject to the conditions stated in the Business Combination Agreement.

The CB&I Supervisory Board recommends that CB&I stockholders vote:

1. FOR the Articles Amendment Resolution;
2. FOR the Merger Resolution;

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3. FOR the Sale Resolutions;
4. FOR the Liquidation Resolutions;
5. FOR the Discharge Resolutions; and
6. FOR the Compensation Resolution.

In evaluating the Combination and the Business Combination Agreement and arriving at its determination, the CB&I Boards consulted with CB&I's senior management and CB&I's outside legal and financial advisors and considered a number of substantive factors, both positive and negative, regarding the Combination. The CB&I Boards believe that, taken as a whole, the following factors supported its decision to approve the Combination:

**Consideration.** The value of the consideration to be received by CB&I shareholders in relation to (1) the market prices of CB&I Common Stock prior to the CB&I Boards' approval of the Business Combination Agreement; (2) the CB&I Boards' assessment of the value of and viability of CB&I as an independent entity; and (3) the value that could potentially be obtained through, and the viability of, other strategic alternatives available to CB&I.

**Creation of Fully Vertically Integrated Onshore-Offshore Company.** The CB&I Boards considered that the Combination would create a fully vertically integrated onshore-offshore company with a broad engineering, procurement, construction and installation service offering and market-leading technology portfolio.

**Participation in Potential Upside.** The fact that, since CB&I shareholders will receive shares of McDermott Common Stock in exchange for their shares of CB&I Common Stock in the Combination, CB&I shareholders will benefit from an approximately 47% pro forma continuing equity ownership in McDermott (based on share prices of CB&I Common Stock and McDermott Common Stock on December 18, 2017) and have the opportunity to participate in any future earnings or growth of McDermott and future appreciation in the value of McDermott Common Stock following the Combination should they determine to retain the shares of McDermott Common Stock received in the Combination.

**Expected Cost Synergies.** The expectation that the combined business will generate anticipated annualized cost synergies of \$250 million by 2019, which CB&I shareholders will benefit from as continuing stockholders of McDermott. The CB&I Boards also considered that there could be no assurance that any particular amount of such synergies would be achieved following completion of the Combination or on the anticipated timeframe.

**Comparison of Strategic and Financial Alternatives.** On August 9, 2017, CB&I entered into amendments to its credit facilities and note purchase agreements with its lenders which required CB&I to commence a



process to sell its technology business on a specified, compressed timetable in order to generate capital to repay CB&I's existing indebtedness. On several occasions in the fall of 2017, the CB&I Boards evaluated carefully, with the assistance of outside legal and financial advisors, the risks and potential benefits associated with a number of strategic or financial alternatives and the potential for stakeholder value associated with those alternatives, including the following:

the status of the technology sale process and potential options to address the transaction certainty concerns with respect to certain of the potential bidders for the technology business, including ability to obtain required regulatory approvals, either on a timely basis, or at all, the possibility that some of the potential acquirors might require CB&I to obtain a solvency opinion and the prospects for obtaining such an opinion, the potential need to prepare audited financials for the technology business and financing concerns;

the proposals received in the technology sale process, including an evaluation of whether any of the proposals as received would be actionable by CB&I in light of the terms proposed, execution risk, and the likely absence of sufficient financing for CB&I to properly fund its ongoing

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operations after a sale of the technology business, taking into account results of discussions with and proposals received from potential financing sources, as well as the projected level of CB&I's indebtedness by the time of a technology sale closing, the projected liquidity and credit needs of CB&I, and that a sale of technology at the proposed valuations would likely be sufficient to repay CB&I's indebtedness but with little excess to support CB&I's ongoing liquidity needs;

that one of the financing parties that had indicated a potential willingness to provide new financing to CB&I on a standalone basis was no longer interested in participating unless a technology sale was completed, and the other party remained potentially interested but would be unable to provide sufficient liquidity to meet CB&I's needs on its own;

that ultimately the technology sale process did not produce any proposals which were, in the view of the CB&I Boards after discussion and analysis, superior options to the Combination, due in part to the lack of financing options for CB&I to meet its liquidity and operational needs following a technology sale, the likelihood of the technology sale proceeds to repay CB&I's outstanding indebtedness, and the likelihood of consummation of the technology sale;

that the Combination would create more value for CB&I and its stakeholders, taken as a whole, than the technology sale would have, which was likely to benefit first and foremost (if not only), CB&I's secured creditors; and

that the Combination presented the best alternative available to CB&I and all of its stakeholders, and that continuing to actively pursue other strategic alternatives, including a potential technology sale, was likely to jeopardize CB&I's ability to achieve any of the available alternatives.

As a result, the CB&I Boards, supported by the analysis of CB&I's legal and financial advisors, concluded that the proposed Combination presented an attractive strategic opportunity for CB&I and its stakeholders and in addition was the best alternative available to CB&I and its stakeholders, due to the expectation of the CB&I Boards that none of the bidders in the technology sale process was able to put forth an actionable proposal that would permit CB&I to continue to operate with sufficient liquidity and credit to fund ongoing operations following a technology sale, and the fact that under the terms of CB&I's outstanding indebtedness, CB&I would have no choice but to seek bankruptcy protection if it did not enter into an agreement with respect to either the technology sale or the Combination. As part of this discussion, the CB&I Boards considered the fact that CB&I's efforts to obtain commitments for new financing on a standalone basis that would permit the refinancing of its existing debt had not been successful. Accordingly, the CB&I Boards unanimously determined that the Business Combination Agreement and the Combination were fair to, advisable and in the best interests of CB&I and its business, taking into account the interests of shareholders, creditors, employees and other stakeholders of CB&I and the CB&I group and unanimously approved the Business Combination Agreement and the Combination, with such determination and approval conditioned on confirmation by CB&I management that McDermott had obtained financing commitments in an amount deemed to be sufficient by CB&I management.

**Uncertainty of Future Common Stock Market Price.** The CB&I Boards considered CB&I's business, assets, financial condition, results of operations, management, competitive position and prospects, as well as

current industry, economic and stock and credit market conditions. The CB&I Boards also considered CB&I's liquidity constraints and the financial covenants contained in the agreements governing CB&I's outstanding indebtedness. In connection with these considerations, the CB&I Boards considered the attendant risk that, if CB&I completed the technology sale and remained independent, CB&I may not have sufficient liquidity to fund its financial and operational needs, which would have a negative impact on its future stock price.

**Negotiations with McDermott.** The benefits that CB&I and its advisors were able to obtain during its extensive negotiations with McDermott, including negotiating an increase in the Exchange Offer Ratio. The CB&I Boards believed that the consideration reflected in the Business Combination Agreement

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was the best transaction that could be obtained by CB&I shareholders at the time, and that there was no assurance that a more favorable opportunity would arise later or through any alternative transaction.

**Fixed Exchange Offer Ratio.** The fact that because the Exchange Offer Ratio is a fixed ratio of shares of McDermott Common Stock to shares of CB&I Common Stock, CB&I shareholders will have the opportunity to benefit from any increase in the trading price of shares of McDermott Common Stock between the announcement of the Combination and the completion of the Combination.

**Financial Advisor's Financial Analyses and Opinion.** The oral opinion of Centerview rendered to the Supervisory Board on December 17, 2017, which was subsequently confirmed by delivery of a written opinion to the CB&I Boards dated such date that, as of such date and based upon and subject to the assumptions made, procedures followed, matters considered, and qualifications and limitations upon the review undertaken by Centerview in preparing its opinion, the Exchange Offer Ratio provided for pursuant to the Business Combination Agreement was fair, from a financial point of view, to the holders of shares of CB&I Common Stock (other than McDermott or its affiliates). For a summary of Centerview's opinion, please see Opinion of CB&I's Financial Advisor beginning on page 98.

**Likelihood of Consummation.** The likelihood that the Combination would be completed, in light of, among other things, the nature of the closing conditions, which are minimal and customary, the likelihood of satisfaction of the closing conditions, including the financing condition, the strength of the financial covenants and the likelihood the Combination would be approved by the requisite regulatory authorities.

**Terms of the Business Combination Agreement.** The terms and conditions of the Business Combination Agreement, including (1) the representations, warranties and covenants of the parties, (2) the conditions to the parties' obligations to complete the Combination and their limited ability to terminate the Business Combination Agreement, (3) the ability of CB&I to specifically enforce the terms of the Business Combination Agreement, (4) the fact that before the CB&I Shareholder Approval is obtained, the CB&I Boards, under certain circumstances, are permitted to discuss and negotiate any unsolicited acquisition proposal, should one be made, and, under certain circumstances, may terminate the Business Combination Agreement to enter into an unsolicited superior acquisition proposal (concurrently with paying a \$60 million termination fee to McDermott) and (5) the structure of the Combination, which includes an Exchange Offer which permits CB&I shareholders to exchange their shares of CB&I Common Stock for shares of McDermott Common Stock in a transaction without incurring Dutch Dividend Withholding Tax.

**Financial Strength of McDermott.** The likelihood that McDermott would be able to finance the Combination and the combined business given McDermott's financial resources, financial profile and the financing commitments that it obtained from Barclays, CACIB, GS, ABN, BTMU, Standard Chartered and HSBC.

**McDermott's Business and Management.** The results of the due diligence investigation that CB&I senior management conducted with the assistance of its advisors on McDermott with respect to certain matters and capabilities of McDermott and its management, including the historical experience of McDermott's

management in strengthening its financial condition.

**The Combined Business Board and Management.** That five persons who are current members of the CB&I Supervisory Board will serve on the McDermott Board of Directors following completion of the Combination and that Patrick Mullen, President and Chief Executive Officer of CB&I, will remain with the combined business for a transition period following the closing of the Combination.

**Absence of Competing Offers.** That CB&I had not received any inquiries concerning alternative whole-company transactions and, in fact, when CB&I approached one of the bidders in the technology sale process regarding a strategic combination in lieu of an acquisition solely of the technology business, the bidder indicated that it was not interested in pursuing a transaction with CB&I other than an acquisition of the technology business. The CB&I Boards also believed that the benefits of soliciting

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interest from any other potential parties were outweighed by a number of risks, including that such solicitation would jeopardize the proposed transaction with McDermott and/or the technology sale process. The CB&I Boards also observed that, in the event any third party were to seek to make such a proposal, CB&I retained the ability to consider unsolicited proposals after the execution of the Business Combination Agreement until the CB&I Shareholder Approval is obtained and to enter into an agreement with respect to a superior acquisition proposal under certain circumstances (concurrently with terminating the Business Combination Agreement and paying a \$60 million termination fee to McDermott).

The CB&I Boards also considered certain potentially negative factors in its deliberations concerning the Combination, including the following:

**Fixed Exchange Offer Ratio.** The fact that because the Exchange Offer Ratio is a fixed ratio of shares of McDermott Common Stock to shares of CB&I Common Stock, CB&I shareholders could be adversely affected by a decrease in the trading price of shares of McDermott Common Stock during the pendency of the Combination, and the fact that the Business Combination Agreement does not provide CB&I with a price-based termination right or other similar protection. The CB&I Boards determined that this structure was appropriate and the risk acceptable in view of factors such as the CB&I Boards' review of the relative intrinsic values and financial performance of CB&I and McDermott.

**Possible Failure to Achieve Synergies.** The risk that the potential benefits and synergies sought in the Combination will not be realized or will not be realized within the expected time period, the risk associated with the integration by McDermott of CB&I and the fact that the analyses and projections on which the CB&I Boards made their determinations are estimates and therefore uncertain.

**McDermott Indebtedness.** The fact that McDermott will have a significant amount of indebtedness and debt service requirements following the Combination, which could adversely affect McDermott following the Combination by inhibiting McDermott's business flexibility and imposing significant interest expense, and therefore adversely affect CB&I shareholders as stockholders of McDermott should they determine to retain the shares of McDermott Common Stock received in the Combination.

**Combination Financing.** The risk that, despite the relatively limited conditionality, the debt financing contemplated by the Business Combination Agreement will not be obtained, resulting in McDermott not having sufficient funds to complete the Combination, or McDermott not having sufficient funds to operate following the Combination and the fact that the debt financing is a condition to completion of the Combination.

**Restrictions on Operation of CB&I's Business.** The requirement that CB&I conduct its business in all material respects in the ordinary course prior to completion of the Combination and subject to specified restrictions unless McDermott provides its prior written consent (which consent may not be unreasonably withheld, conditioned or delayed), which might delay or prevent CB&I from undertaking certain business opportunities that might arise pending completion of the Combination. The CB&I Boards also considered that these restrictions were customary and acceptable.

**Termination for Superior Proposals.** The fact that McDermott retained the ability to consider unsolicited proposals after the execution of the Business Combination Agreement until the McDermott Stockholder Approval is obtained and to enter into an agreement with respect to a superior acquisition proposal under certain circumstances (concurrently with terminating the Business Combination Agreement and paying a \$60 million termination fee to CB&I).

**Other Risks.** The risks described under Cautionary Statement Regarding Forward-Looking Statements on page 36 and Risk Factors beginning on page 25.

The CB&I Boards concluded that the benefits of the transaction to CB&I and its stakeholders outweighed the perceived risks. In view of the wide variety of factors considered, and the complexity of these matters, the CB&I

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Boards did not find it practicable to, and did not attempt to, quantify or assign any relative or specific weights to the various factors it considered. Rather, the CB&I Boards viewed the decisions as being based on the totality of the information available to it. In addition, individual members of the CB&I Boards may have given differing weights to different factors.

### **Opinion of CB&I's Financial Advisor**

On December 17, 2017, Centerview rendered to the CB&I Supervisory Board its oral opinion, subsequently confirmed in a written opinion to the CB&I Boards dated such date, that, as of such date and based upon and subject to various assumptions made, procedures followed, matters considered, and qualifications and limitations upon the review undertaken by Centerview in preparing its opinion, the Exchange Offer Ratio provided for pursuant to the business combination agreement was fair, from a financial point of view, to the holders of shares of CB&I Common Stock (other than Excluded Shares).

The full text of Centerview's written opinion, dated December 17, 2017, which describes the assumptions made, procedures followed, matters considered, and qualifications and limitations upon the review undertaken by Centerview in preparing its opinion, is attached as Annex D and is incorporated herein by reference. **The summary of the written opinion of Centerview set forth below is qualified in its entirety to the full text of Centerview's written opinion attached as Annex D. Centerview's financial advisory services and opinion were provided for the information and assistance of the CB&I Boards (in their capacity as directors and not in any other capacity) in connection with and for purposes of its consideration of the Combination and Centerview's opinion only addressed the fairness, from a financial point of view, as of the date thereof, of the Exchange Offer Ratio provided for pursuant to the Business Combination Agreement to the holders of shares of CB&I Common Stock (other than Excluded Shares). Centerview's opinion did not address any other term or aspect of the Business Combination Agreement or the Combination and does not constitute a recommendation to any shareholder of CB&I or any other person as to how such shareholder or other person should vote with respect to the Combination or otherwise act with respect to the Combination or any other matter.**

**The full text of Centerview's written opinion should be read carefully in its entirety for a description of the assumptions made, procedures followed, matters considered, and qualifications and limitations upon the review undertaken by Centerview in preparing its opinion.**

In connection with rendering the opinion described above and performing its related financial analyses, Centerview reviewed, among other things:

a draft of the Business Combination Agreement dated December 17, 2017, referred to in this section of the document as the Draft Agreement ;

Annual Reports on Form 10-K of CB&I for the years ended December 31, 2016, December 31, 2015 and December 31, 2014;

Annual Reports on Form 10-K of McDermott for the years ended December 31, 2016, December 31, 2015 and December 31, 2014;



the Current Report on Form 8-K dated April 25, 2017 of McDermott;

certain interim reports to shareholders and Quarterly Reports on Form 10-Q of CB&I;

certain interim reports to stockholders and Quarterly Reports on Form 10-Q of McDermott;

certain publicly available research analyst reports for CB&I and McDermott;

certain other communications from CB&I and McDermott to their respective shareholders or stockholders, as applicable;

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certain internal information relating to the business, operations, earnings, cash flow, assets, liabilities and prospects of CB&I, including certain financial forecasts, analyses and projections relating to CB&I prepared by management of CB&I and furnished to Centerview by CB&I for purposes of Centerview's analysis, which are referred to in this section of this document as the CB&I Forecasts, and which are collectively referred to in this section of this document as the CB&I Internal Data ;

certain internal information relating to the business, operations, earnings, cash flow, assets, liabilities and prospects of McDermott, including certain financial forecasts, analyses and projections relating to McDermott prepared by management of McDermott and furnished to Centerview by McDermott for purposes of Centerview's analysis, which are referred to in this section of this document as the McDermott Forecasts, and which are collectively referred to in this section of this document as the McDermott Internal Data ; and

certain tax and other cost savings and operating synergies projected by the management of CB&I and the management of McDermott to result from the Combination furnished to Centerview by CB&I for purposes of Centerview's analysis, which are referred to in this section of this document as the Synergies .

Centerview also participated in discussions with members of the senior management and representatives of CB&I and McDermott regarding their assessment of the CB&I Internal Data, the McDermott Internal Data and the Synergies, as appropriate, and the strategic rationale for the Combination. In addition, Centerview reviewed publicly available financial and stock market data, including valuation multiples, for CB&I and McDermott and compared that data with similar data for certain other companies, the securities of which are publicly traded, in lines of business that Centerview deemed relevant. Centerview also compared certain of the proposed financial terms of the Combination with the financial terms, to the extent publicly available, of certain other transactions that Centerview deemed relevant, and conducted such other financial studies and analyses and took into account such other information as Centerview deemed appropriate.

Centerview assumed, without independent verification or any responsibility therefor, the accuracy and completeness of the financial, legal, regulatory, tax, accounting and other information supplied to, discussed with, or reviewed by Centerview for purposes of its opinion and, with CB&I's consent, Centerview relied upon such information as being complete and accurate. In that regard, Centerview assumed, at CB&I's direction, that the CB&I Internal Data (including, without limitation, the CB&I Forecasts) and the Synergies were reasonably prepared on bases reflecting the best then-currently available estimates and judgments of the management of CB&I as to the matters covered thereby and, that the McDermott Internal Data (including, without limitation, the McDermott Forecasts) and the Synergies were reasonably prepared on bases reflecting the best then-currently available estimates and judgments of the management of McDermott as to the matters covered thereby, and Centerview relied, at CB&I's direction, on the CB&I Internal Data, the McDermott Internal Data and the Synergies for purposes of Centerview's analysis and opinion. Centerview expressed no view or opinion as to the CB&I Internal Data, the McDermott Internal Data, the Synergies or the assumptions on which they were based. In addition, at CB&I's direction, Centerview did not make any independent evaluation or appraisal of any of the assets or liabilities (contingent, derivative, off-balance-sheet or otherwise) of CB&I, McDermott or any other entity, nor was Centerview furnished with any such evaluation or appraisal, and was not asked to conduct, and did not conduct, a physical inspection of the properties or assets of CB&I, McDermott or any other entity. Centerview assumed, at CB&I's direction, that the final executed Business Combination Agreement would not differ in any respect material to Centerview's analysis or opinion from the Draft Agreement reviewed by Centerview. Centerview also assumed, at CB&I's direction, that the Combination will be consummated on the terms set forth in the Business Combination Agreement and in accordance with all applicable laws and other relevant documents or requirements, without delay or the waiver, modification or amendment of any

term, condition or agreement, the effect of which would be material to Centerview's analysis or Centerview's opinion and that, in the course of obtaining the necessary governmental, regulatory and other approvals, consents, releases and waivers for the Combination, no delay, limitation, restriction, condition or other change, including any divestiture requirements or amendments or modifications, will be imposed, the effect of which would be

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material to Centerview's analysis or Centerview's opinion. Centerview further assumed, at CB&I's direction, that the Merger and the related elements of the Combination, taken together, will qualify for U.S. federal income tax purposes as one or more reorganizations with the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. Centerview did not evaluate and did not express any opinion as to the solvency, viability or fair value of CB&I, McDermott or any other entity, or the ability of CB&I, McDermott or any other such entity to pay their respective obligations when they come due, or as to the impact of the Combination on such matters, under any state, federal or other laws relating to bankruptcy, insolvency or similar matters. Centerview is not a legal, regulatory, tax or accounting advisor, and Centerview expressed no opinion as to any legal, regulatory, tax or accounting matters.

Centerview expressed no view as to, and its opinion did not address, CB&I's underlying business decision to proceed with or effect the Combination, or the relative merits of the Combination as compared to any alternative business strategies or transactions that might be available to CB&I or in which CB&I might engage, including, without limitation, a sale of all or a portion of CB&I's technology and engineered products business. Centerview's opinion was limited to and addressed only the fairness, from a financial point of view, as of the date of Centerview's written opinion, to the holders of shares of CB&I Common Stock (other than Excluded Shares) of the Exchange Offer Ratio provided for pursuant to the Business Combination Agreement. For purposes of its opinion, Centerview was not asked to, and Centerview did not, express any view on, and its opinion did not address, any other term or aspect of the Business Combination Agreement or the Combination, including, without limitation, the structure or form of the Combination, or any other agreements or arrangements contemplated by the Business Combination Agreement or entered into in connection with or otherwise contemplated by the Combination, including, without limitation, the fairness of the Combination or any other term or aspect of the Combination to, or any consideration to be received in connection therewith by, or the impact of the Combination on, the holders of any other class of securities, creditors or other constituencies of CB&I or any other party. In addition, Centerview expressed no view or opinion as to the fairness (financial or otherwise) of the amount, nature or any other aspect of any compensation to be paid or payable to any of the officers, directors or employees of CB&I or any party, or class of such persons in connection with the Combination, whether relative to the Exchange Offer Ratio provided for pursuant to the Business Combination Agreement or otherwise. Centerview's opinion related to the relative values of CB&I and McDermott. Centerview's opinion was necessarily based on financial, economic, monetary, currency, market and other conditions and circumstances as in effect on, and the information made available to Centerview as of, the date of Centerview's written opinion, and Centerview does not have any obligation or responsibility to update, revise or reaffirm its opinion based on circumstances, developments or events occurring after the date of Centerview's written opinion. Centerview did not express any view or opinion as to what the value of shares of McDermott Common Stock actually will be when issued pursuant to the Combination or the prices at which the shares of CB&I Common Stock or shares of McDermott Common Stock will trade or otherwise be transferable at any time, including following the announcement or consummation of the Combination. Centerview's opinion does not constitute a recommendation to any shareholder of CB&I or any other person as to how such shareholder or other person should vote with respect to the Combination or otherwise act with respect to the Combination or any other matter. Centerview's financial advisory services and its written opinion were provided for the information and assistance of the CB&I Boards (in their capacity as directors and not in any other capacity) in connection with and for purposes of their consideration of the Combination. The issuance of Centerview's opinion was approved by the Centerview Partners LLC Fairness Opinion Committee.

*Summary of Centerview Financial Analysis*

The following is a summary of the material financial analyses prepared and reviewed with the CB&I Supervisory Board in connection with Centerview's oral opinion, dated December 17, 2017, and subsequently confirmed in a written opinion to the CB&I Boards dated such date. **The summary set forth below does not purport to be a complete description of the financial analyses performed or factors considered by, and underlying the opinion of, Centerview, nor does the order of the financial analyses described represent the relative importance or**

**weight given to those financial analyses by Centerview. Centerview may have deemed**

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various assumptions more or less probable than other assumptions, so the reference ranges resulting from any particular portion of the analyses summarized below should not be taken to be Centerview's view of the actual value of CB&I. Some of the summaries of the financial analyses set forth below include information presented in tabular format. In order to fully understand the financial analyses, the tables must be read together with the text of each summary, as the tables alone do not constitute a complete description of the financial analyses performed by Centerview. Considering the data in the tables below without considering all financial analyses or factors or the full narrative description of such analyses or factors, including the methodologies and assumptions underlying such analyses or factors, could create a misleading or incomplete view of the processes underlying Centerview's financial analyses and its opinion. In performing its analyses, Centerview made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of CB&I or any other parties to the Combination. None of CB&I, McDermott, any other party to the Business Combination Agreement or Centerview or any other person assumes responsibility if future results are materially different from those discussed. Any estimates contained in these analyses are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than as set forth below. In addition, analyses relating to the value of CB&I do not purport to be appraisals or reflect the prices at which CB&I may actually be sold. Accordingly, the assumptions and estimates used in, and the results derived from, the financial analyses are inherently subject to substantial uncertainty. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before December 15, 2017 (the last trading day before Centerview rendered its opinion) and is not necessarily indicative of current market conditions. In addition, the following financial analyses exclude the potential impact from the McDermott Reverse Stock Split. For purposes of the financial analyses described below, earnings before interest, taxes, depreciation and amortization was calculated treating stock-based compensation as an expense and adjusted for the estimated value of net income attributable to non-controlling interests and certain one-time items, and is referred to in this summary of Centerview's opinion as Adjusted EBITDA. A calendar year ended December 31 is referred to in this summary of Centerview's opinion as CY .

**Selected Public Comparable Companies Analysis**

Centerview reviewed and compared certain financial information for CB&I and McDermott to corresponding financial information for the following publicly traded companies in the engineering, procurement and construction (referred to in this section of this document as EPC ) industry, and the offshore oil and gas EPC industry, that Centerview, based on its experience and professional judgment, deemed relevant to consider in relation to CB&I and McDermott:

**Selected EPC Companies**

Jacobs Engineering Group Inc.

SNC-Lavalin Group Inc.

Fluor Corporation

Quanta Services Inc.

AECOM

John Wood Group PLC

KBR Inc.

Selected Offshore Oil and Gas EPC Companies

TechnipFMC plc

Subsea 7 S.A.

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Saipem S.p.A.

Petrofac Limited

Aker Solutions ASA

Although none of the selected companies is directly comparable to CB&I or McDermott, the companies listed above were chosen by Centerview, among other reasons, because they are publicly traded companies in the EPC or offshore oil and gas EPC businesses that have certain operational, business and/or financial characteristics that, for purposes of Centerview's analysis, may be considered similar to those of CB&I and McDermott. However, because none of the selected companies is exactly the same as CB&I or McDermott, Centerview believed that it was inappropriate to, and therefore did not, rely solely on the quantitative results of the selected company analysis. Accordingly, Centerview also made qualitative judgments, based on its experience and professional judgment, concerning differences between the business, financial and operating characteristics and prospects of CB&I, McDermott and the selected companies that could affect the public trading values of each in order to provide a context in which to consider the results of the quantitative analysis.

Using publicly available information obtained from SEC filings and other data sources as of December 15, 2017, Centerview calculated, for each selected company, among other things, aggregate enterprise value as a multiple of the estimated Adjusted EBITDA for CY 2018 and CY 2019. Such calculations were performed on a pro forma basis for significant merger and acquisition transactions undertaken by selected companies.

The results of these analyses are summarized below:

	EV/Adj. EBITDA CY 2018E				EV/Adj. EBITDA CY 2019E			
	Low	Mean	Median	High	Low	Mean	Median	High
Selected EPC Companies	8.1x	9.2x	9.1x	10.5x	7.0x	8.2x	8.0x	10.3x
Selected Offshore Oil and Gas EPC Companies	5.2x	6.6x	6.1x	9.7x	5.1x	6.5x	6.4x	8.9x

Based on the foregoing analysis, its experience and professional judgment, and other factors Centerview deemed relevant, including historical forward enterprise value to Adjusted EBITDA trading multiples of CB&I and McDermott and of certain of their peers, for purposes of its analysis Centerview selected an enterprise value to CY 2018 estimated Adjusted EBITDA multiple reference range of 6.0x to 8.5x for CB&I and 6.0x to 7.0x for McDermott. Centerview also selected an enterprise value to CY 2019 estimated Adjusted EBITDA multiple reference range of 6.0x to 7.5x for CB&I and 5.75x to 6.75x for McDermott. Using these reference ranges and CB&I's estimated Adjusted EBITDA for each corresponding year, as reflected in the CB&I Forecasts, Centerview calculated a range of implied values per share of CB&I common stock of \$12.28 to \$25.55 for CY 2018 and \$12.11 to \$20.03 for CY 2019. Using these reference ranges and McDermott's estimated Adjusted EBITDA for each corresponding year, as reflected in the McDermott Forecasts, Centerview calculated a range of implied values per share of McDermott Common Stock of \$5.80 to \$6.87 for CY 2018 and \$5.55 to \$6.62 for CY 2019. Centerview then calculated the ratio of the lowest implied per share price of CB&I Common Stock to the highest implied per share price of McDermott Common Stock and the ratio of the highest implied per share price of CB&I Common Stock to the lowest implied per share price of McDermott Common Stock to derive an implied exchange ratio range of 1.78720x to 4.40294x for CY 2018, and 1.82969x to 3.61000x for CY 2019. Centerview then compared these implied exchange ratios to the Exchange Offer Ratio provided for pursuant to the Business Combination Agreement of 2.47221x.



**Selected Precedent Transactions Analysis**

Centerview performed a selected precedent transactions analysis in which Centerview reviewed publicly available financial terms of the following selected transactions in the EPC industry that Centerview in its professional judgment deemed relevant to consider in relation to CB&I, McDermott and the Combination.

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The selected transactions were:

<b>Transaction Announcement</b>	<b>Acquiror</b>	<b>Target</b>	<b>Enterprise Value (billions)</b>
August 2017	Jacobs Engineering Group Inc.	CH2M HILL Companies Ltd.	\$3.3
April 2017	SNC-Lavalin Inc.	WS Atkins plc	£2.2
March 2017	John Wood Group PLC	Amec Foster Wheeler plc	£3.4
May 2016	Technip S.A.	FMC Technologies, Inc.	\$6.5
July 2014	AECOM	URS Corporation	\$6.1
June 2014	SNC-Lavalin Group Inc.	Kentz Corporation Ltd.	£1.3
January 2014	Amec Plc	Foster Wheeler AG	\$2.9
September 2013	Jacobs Engineering Group Inc.	Sinclair Knight Merz	AUD\$1.2
July 2012	Chicago Bridge & Iron Company	The Shaw Group Inc.	\$1.9
February 2012	URS Corporation	Flint Energy Services Ltd.	CAD\$1.5

No company or transaction used in this analysis is identical or directly comparable to CB&I (as it existed at the time of Centerview's analysis), McDermott or the Combination. The companies included in the selected transactions listed above were selected, among other reasons, because they have certain characteristics that, for the purposes of this analysis, may be considered similar to certain characteristics of CB&I and McDermott. The reasons for and the circumstances surrounding each of the selected transactions analyzed were diverse and there are inherent differences in the business, operations, financial conditions and prospects of CB&I, McDermott and the companies included in the selected transaction analysis. Accordingly, Centerview believed that it was inappropriate to, and therefore did not, rely solely on the quantitative results of the selected transaction analysis. This analysis involves complex considerations and qualitative judgments concerning differences in financial and operating characteristics and other factors that could affect the public trading, acquisition or other values of the selected target companies, CB&I and McDermott.

Financial data for the selected transactions was based on publicly available information at the time of the announcement of the relevant transactions that Centerview obtained from SEC filings and other data sources.

Using publicly available information, Centerview calculated, for each of the selected transactions set forth above, among other things, the enterprise implied for the applicable target company based on the consideration payable in the applicable selected transaction as a multiple of the target company's Adjusted EBITDA (generally based on the average Adjusted EBITDA of each target company for the preceding twelve months prior to the transaction announcement, except where such information was not available).

The results of these analyses are summarized below:

	<b>EV / Last 12 Month Adj. EBITDA</b>			
	<b>Low</b>	<b>Average</b>	<b>Median</b>	<b>High</b>
<b>Selected Transactions</b>	7.0x	9.9x	10.3x	12.3x

Based on the foregoing analysis, its experience and professional judgment, and other factors Centerview deemed relevant, for purposes of its analysis Centerview selected an enterprise value to CY 2017 estimated Adjusted EBITDA multiple reference range of 7.0x to 9.0x for each of CB&I and McDermott. Using these reference ranges and CB&I's CY 2017 estimated Adjusted EBITDA, as reflected in the CB&I Forecasts (and reflecting project chargebacks and pro forma to exclude CB&I's capital services business which was previously divested), Centerview calculated a range of

implied values per share of CB&I Common Stock of \$18.63 to \$29.55 for CY 2017. Using these reference ranges and McDermott's CY 2017 estimated Adjusted EBITDA, as reflected in the McDermott Forecasts, Centerview calculated a range of implied values per share of McDermott Common Stock of \$8.54 to \$11.15 for CY 2017. Centerview then calculated the ratio of the lowest implied per share price of CB&I Common Stock to the highest implied per share price of McDermott Common Stock and the ratio of the highest implied per share price of CB&I Common Stock to the lowest implied per share price of McDermott Common Stock to derive an implied exchange ratio range of 1.67131x to 3.46012x. Centerview then compared this implied exchange ratio range to the Exchange Offer Ratio provided for pursuant to the Business Combination Agreement of 2.47221x.

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**Table of Contents****Discounted Cash Flow Analysis**

Centerview performed a discounted cash flow analysis of CB&I based on the CB&I Forecasts and McDermott based on the McDermott Forecasts. A discounted cash flow analysis is a traditional valuation methodology used to derive a valuation of an asset by calculating the present value of estimated future cash flows of the asset. Present value refers to the current value of future cash flows and is obtained by discounting those future cash flows by a discount rate that takes into account macroeconomic assumptions and estimates of risk, the opportunity cost of capital, expected returns and other appropriate factors.

In performing these analyses, Centerview calculated the estimated present value of the standalone unlevered after-tax free cash flows that CB&I and McDermott were each forecasted to generate during the year ending December 31, 2018 through the year ending December 31, 2022. In the case of CB&I, the unlevered free cash flow was adjusted to exclude the cash impact of CB&I's net operating loss carryforwards, or NOLs. Financial data of CB&I was based on the CB&I Forecasts. Financial data of McDermott was based on the McDermott Forecasts. The terminal value of CB&I at the end of the forecast period was estimated based on an enterprise value exit multiple range of 6.0x to 8.5x. The terminal value of McDermott at the end of the forecast period was estimated based on an enterprise value exit multiple range of 6.0x to 7.0x. The ranges of exit multiples were estimated by Centerview utilizing its professional judgment and experience, taking into account the relevant company, among other matters, the CB&I Internal Data, the McDermott Internal Data, industry conditions and trends and market expectations regarding long-term real growth of gross domestic product and inflation. The cash flows and terminal values were then discounted to present value (as of December 31, 2017) using discount rates ranging from 9.5% to 10.5% for CB&I and 11.0% to 12.0% for McDermott. These ranges of discount rates were determined based on Centerview's analysis of CB&I's and McDermott's respective weighted average costs of capital. In the case of CB&I, Centerview separately calculated the estimated present value of CB&I's estimated NOL's for the years ending December 31, 2018 through December 31, 2028, as reflected in the Forecasts, using a discount rate of 11.5% determined based on Centerview's analysis of CB&I's cost of equity. Based on these analyses, Centerview calculated a range of approximate implied enterprise values for each of CB&I and McDermott and implied values per share of CB&I Common Stock of \$20.97 to \$33.61, and McDermott Common Stock of \$9.77 to \$11.50. Centerview then calculated the ratio of the highest implied price per share of CB&I Common Stock to the lowest implied price per share of McDermott Common Stock and the ratio of the lowest implied price per share of CB&I Common Stock to the highest implied price per share of McDermott common stock to derive an implied exchange ratio range of 1.82312x to 3.44048x. Centerview then compared this implied exchange ratio range to the Exchange Offer Ratio provided for pursuant to the Business Combination Agreement of 2.47221x.

In addition, Centerview performed a valuation analysis of the Synergies. Centerview first performed a discounted cash flow analysis of the unlevered-free cash flow the cost and operating synergies reflected in the Synergies (the Cost Synergies) were forecasted to generate during the year ending December 31, 2018 through the year ending December 31, 2022. The terminal value of Cost Synergies at the end of the forecast period was estimated based on an enterprise value exit multiple range of 6.0x to 8.5x. This range of exit multiples was estimated by Centerview utilizing its professional judgment and experience, taking into account, among other matters, the combined company, the CB&I Internal Data, the McDermott Internal Data, industry conditions and trends and market expectations regarding long-term real growth of gross domestic product and inflation. These cash flows and terminal values were then discounted to present value (as of December 31, 2017) using discount rates ranging from 9.5% to 10.5%. This range of discount rates was determined based on Centerview's analysis of the combined company's weighted average costs of capital after giving effect to the Combination. This analysis indicated a range of approximate net present values of the Cost Synergies. Centerview separately performed a discounted cash flow analysis of the cash flow impact of the tax-related synergies forecasted to result from tax basis step-up associated with the sale of CB&I's technology business as contemplated by the Business Combination Agreement for the 15-year period following the Combination, as reflected in the Synergies (the Tax Synergies). These cash flows were then discounted to present value (as of

December 31, 2017) using the discount rates ranging from 9.5% to 10.5%, selected as described above.

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Centerview then calculated a value per share of CB&I Common Stock of 47% (reflecting the pro forma ownership of the combined company by current CB&I shareholders contemplated by the Business Combination Agreement) of the mid-point of the value ranges for the Cost Synergies and Tax Synergies calculated above in the immediately preceding paragraph (and subtracting the net present value of CB&I's standalone U.S. net operating losses anticipated to be utilized in the sale of CB&I's technology business as contemplated by the Business Combination Agreement) and adding such per share amount to \$33.61 (the high end of the implied values per share of CB&I common stock as described in the second paragraph under this subsection – Discounted Cash Flow Analysis ) to derive an implied synergized value per CB&I share of \$39.24. Centerview then calculated a value per share of McDermott Common Stock of 53% (reflecting the pro forma ownership of the combined company by current McDermott shareholders contemplated by the business combination agreement) of the mid-point of the value ranges for the Cost Synergies and Tax Synergies calculated above in the immediately preceding paragraph and adding such per share amount to \$11.50 (the high end of the implied values per share of McDermott common stock calculated in the second paragraph under this subsection – Discounted Cash Flow Analysis ) to derive an implied synergized value per McDermott share of \$15.01. Centerview then calculated the ratio of the implied synergized price per share of CB&I Common Stock of \$39.24 to the lowest resulting implied price per share of McDermott Common Stock of \$9.77 (calculated as described in the second paragraph under this subsection – Discounted Cash Flow Analysis ) and the ratio of the lowest resulting implied price per share of CB&I Common Stock of \$20.97 (calculated as described in the second paragraph under this subsection – Discounted Cash Flow Analysis ) to the implied synergized price per share of McDermott common stock of \$15.01 to derive an implied exchange ratio range of 1.39742x to 4.01683x. Centerview then compared this implied exchange ratio range to the Exchange Offer Ratio provided for pursuant to the Business Combination Agreement of 2.47221x.

**Table of Contents***Other Factors*

Centerview noted for the CB&I Boards certain additional factors solely for informational purposes, including, among other things, the following:

**Relative Contribution Analysis.** Centerview performed a relative contribution analysis of CB&I and McDermott in which Centerview reviewed the implied exchange ratio calculated based on relative contributions of CB&I and McDermott to the pro forma combined company's estimated revenue, Adjusted EBITDA and levered free cash flow (defined as operating cash flow minus capital expenditures), in each case for CY 2017 (estimated CB&I Adjusted EBITDA for CY 2017 also reflects project chargebacks and is pro forma to exclude CB&I's capital services business which was previously divested), CY 2018 and CY 2019, and in each case on a levered basis (i.e., based on enterprise values as of December 15, 2017 and estimated net debt as of December 31, 2017) based on the CB&I Forecasts and the McDermott Forecasts and excluding the Synergies. These financial metrics were determined based on what Centerview deemed in its professional judgment to be relevant. The implied exchange ratios calculated by Centerview, excluding the Synergies, with respect to the pro forma combined company's estimated revenue, Adjusted EBITDA and levered free cash flow for CY 2017, CY 2018 and CY 2019, are outlined in the table below. Centerview compared these implied exchange ratios to the Exchange Offer Ratio provided for pursuant to the Business Combination Agreement of 2.47221x. Centerview noted that contribution analysis is not a valuation methodology and that such analysis was presented for reference purposes only and not as a component of Centerview's fairness analyses.

***Implied Exchange Ratio***

<b>Revenue</b>	
CY 2017E	3.65822x
CY 2018E	3.78516x
CY 2019E	2.32808x
<b>Adjusted EBITDA</b>	
CY 2017E	2.04171x
CY 2018E	2.63775x
CY 2019E	2.60988x
<b>Levered Free Cash Flow<sup>(1)</sup></b>	
CY 2017E	NM
CY 2018E	NM
CY 2019E	6.31845x

- <sup>(1)</sup> Levered Free Cash Flow for CY 2017E and CY 2018E is displayed as not meaningful ( NM ) due to negative estimated Free Cash Flow for CB&I in CY 2017 and CY 2018 and McDermott in CY 2017.

**Historical Stock Price Trading Analysis.** Centerview reviewed historical closing prices for shares of CB&I Common Stock and shares of McDermott Common Stock for the 52-week period ended December 15, 2017, which reflected low and high implied exchange ratios of 1.71601x to 4.83096x on a per trading day basis. Centerview then compared this implied exchange ratio range to the Exchange Offer Ratio provided for

pursuant to the Business Combination Agreement of 2.47221x.

**Analyst Price Target Analysis.** Centerview reviewed stock price targets for shares of CB&I Common Stock in Wall Street research analyst reports publicly available as of December 15, 2017, which indicated the latest available low and high stock price targets for shares of CB&I Common Stock ranging from \$9.00 to \$25.00 per share of CB&I common stock. Centerview also reviewed stock price targets for shares of McDermott Common Stock in Wall Street research analyst reports publicly available as of December 15, 2017, which indicated the latest available low and high stock price targets for shares of McDermott Common Stock ranging from \$6.25 to \$10.50 per share of McDermott Common Stock. Centerview then calculated the ratio of such low stock price target for shares of CB&I



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Common Stock to such high stock price target for shares of McDermott Common Stock and the ratio of such high stock price target for shares of CB&I Common Stock to such low stock price target for shares of McDermott Common Stock to derive an implied exchange ratio range of 0.85714x to 4.00000x. Centerview then compared this implied exchange ratio range to the Exchange Offer Ratio provided for pursuant to the Business Combination Agreement of 2.47221x.

*General*

The preparation of a financial opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a financial opinion is not readily susceptible to summary description. In arriving at its opinion, Centerview did not draw, in isolation, conclusions from or with regard to any factor or analysis that it considered. Rather, Centerview made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of the analyses.

Centerview's financial analyses and opinion were only one of many factors taken into consideration by the CB&I Boards in their evaluation of the Combination. Consequently, the analyses described above should not be viewed as determinative of the views of the CB&I Boards or management of CB&I with respect to the Exchange Offer Ratio or as to whether the CB&I Boards would have been willing to determine that a different exchange ratio or consideration was fair. The Exchange Offer Ratio for the Combination was determined through arm's-length negotiations between CB&I and McDermott. Centerview provided advice to CB&I during these negotiations. Centerview did not, however recommend any specific amount of consideration or a specific exchange ratio to CB&I or the CB&I Boards, or state that any specific amount of consideration constituted the only appropriate consideration for the transaction.

Centerview is a securities firm engaged directly and through affiliates and related persons in a number of investment banking, financial advisory and merchant banking activities. In the two years prior to the date of its written opinion, Centerview was engaged to provide certain financial advisory services to CB&I, including strategic advisory services related to the Combination and other matters, and for such services Centerview received from CB&I the compensation described in the last paragraph under this subsection *General*. In the two years prior to the date of its written opinion, Centerview was not engaged to provide financial advisory or other services to McDermott or the affiliates of McDermott party to the Business Combination Agreement, and Centerview did not receive any compensation from McDermott or the affiliates of McDermott party to the Business Combination Agreement. Centerview may provide investment banking and other services to or with respect to CB&I, McDermott, their respective affiliates party to the Business Combination Agreement, or any of their respective affiliates, in the future, for which Centerview may receive compensation. Certain (1) of Centerview's and its affiliates' directors, officers, members and employees, or family members of such persons, (2) of Centerview's affiliates or related investment funds and (3) investment funds or other persons in which any of the foregoing may have financial interests or with which they may co-invest, may at any time acquire, hold, sell or trade, in debt, equity and other securities or financial instruments (including derivatives, bank loans or other obligations) of, or investments in, CB&I, McDermott, their respective affiliates party to the Business Combination Agreement, or any of their respective affiliates, or any other party that may be involved in the Combination.

The Boards of CB&I selected Centerview as their financial advisor in connection with the Combination based on Centerview's reputation, qualifications and experience. Centerview is an internationally recognized investment banking firm that has substantial experience in transactions similar to the Combination.

In connection with Centerview's services as the financial advisor to CB&I, CB&I has agreed to pay Centerview an aggregate fee that is estimated as of the date of this filing to be approximately \$45 million, \$7 million of which was paid upon the delivery of Centerview's opinion, \$2 million of which was paid upon the execution of the engagement

letter between Centerview and CB&I dated August 16, 2017 and the remainder of which is

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contingent upon, and will be payable upon, consummation of the Combination. In addition, CB&I has agreed to reimburse certain of Centerview's expenses arising, and to indemnify Centerview against certain liabilities that may arise, out of Centerview's engagement.

**Certain Forward-Looking Financial Information Prepared by McDermott**

McDermott does not, as a matter of course, make public forward-looking financial information as to future revenues, earnings, or other results, other than providing estimated ranges of expected earnings and earnings growth as disclosed in regular press releases and investor materials. However, for internal purposes and in connection with the process leading to the Business Combination Agreement, the management of McDermott prepared certain projections of future financial and operating performance of McDermott for the years 2018 through 2022 and a forecast for CB&I for the years 2021 and 2022, based on an extrapolation of the projections prepared by CB&I (the McDermott Forward-Looking Financial Information). The McDermott Forward-Looking Financial Information related to McDermott was prepared separately from the McDermott Forward-Looking Financial Information related to CB&I and is not intended to be added together. Adding the two companies' forward-looking financial information together would not represent the results the combined business would achieve if the Combination is completed. The McDermott Forward-Looking Financial Information was included in this document because McDermott provided such projections to CB&I and to McDermott's and CB&I's respective financial advisors in connection with the Business Combination Agreement discussions, or such projections were otherwise relevant to the McDermott Board in evaluating the Combination. However, the McDermott Forward-Looking Financial Information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this document are cautioned not to place undue reliance on the McDermott Forward-Looking Financial Information.

The estimates and assumptions underlying the McDermott Forward-Looking Financial Information are inherently uncertain and, though considered reasonable by the management of McDermott, as of the date of the preparation of such McDermott Forward-Looking Financial Information, are subject to a wide variety of significant business, economic, regulatory and competitive risks and uncertainties that could cause actual results to differ materially from those reflected in the McDermott Forward-Looking Financial Information, including, among other things, the matters described in the sections entitled Cautionary Statement Regarding Forward-Looking Statements and Risk Factors of this document and risks identified in other SEC filings that are incorporated by reference in this document. Accordingly, there can be no assurance that the McDermott Forward-Looking Financial Information will be indicative of the future performance of McDermott or CB&I or that actual results will not differ materially from those presented in the McDermott Forward-Looking Financial Information. Inclusion of the McDermott Forward-Looking Financial Information in this document should not be regarded as a representation by any person that the results contained in the McDermott Forward-Looking Financial Information will be achieved. The McDermott Forward-Looking Financial Information should not be relied upon as indicative of future results, and readers of this document are cautioned not to place undue reliance on this information. Further, the inclusion of the McDermott Forward-Looking Financial Information does not constitute an admission or representation by McDermott that this information is material.

Except as may be required by applicable law, McDermott does not intend to update or otherwise revise the McDermott Forward-Looking Financial Information to reflect circumstances existing since the preparation of such McDermott Forward-Looking Financial Information or to reflect the occurrence of unanticipated events, including in the event that any of the underlying assumptions prove to be in error. Furthermore, McDermott does not intend to update or revise the McDermott Forward-Looking Financial Information in this document to reflect changes in general economic or industry conditions.

The McDermott Forward-Looking Financial Information provided by McDermott is not included in this document to induce any stockholder of McDermott or shareholder of CB&I to vote in favor of the proposals at either the

McDermott Special Meeting or the CB&I Special General Meeting.

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Neither McDermott's nor CB&I's independent auditors, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the McDermott Forward-Looking Financial Information contained in this document, nor have they expressed any opinion or any other form of assurance on such McDermott Forward-Looking Financial Information or its achievability, and assume no responsibility for, and disclaim any association with, such McDermott Forward-Looking Financial Information.

<i>(in millions)</i>	<b>McDermott Forward-Looking Financial Information</b>				
	<b>2018E</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Revenue	\$ 3,010	\$ 3,700	\$ 4,883	\$ 4,889	\$ 5,663
EBITDA <sup>1</sup>	313	313	517	534	652
Free Cash Flow <sup>2</sup>	226	109	247	176	277

	<b>McDermott Projections of CB&amp;I Forward-Looking Financial Information</b>	
	<b>2021E</b>	<b>2022E</b>
Revenue	\$ 6,899	\$ 7,069
EBITDA <sup>1</sup>	744	777

- (1) EBITDA, a non-GAAP measure, is defined as net income plus depreciation and amortization, interest expense, net, and provision for income taxes. EBITDA is widely used by investors for valuation and comparing financial performance with the performance of other companies in the industry. McDermott management also uses EBITDA to monitor and compare the financial performance of its operations. EBITDA does not give effect to the cash that must be used to service debt or pay income taxes, and thus does not reflect the funds actually available for capital expenditures, dividends or various other purposes. In addition, current presentation of EBITDA may not be comparable to similarly titled measures in other companies' reports. EBITDA should not be considered in isolation from, or as a substitute for, net income or cash flow measures prepared in accordance with U.S. GAAP.
- (2) Free Cash Flow, a non-GAAP measure, is defined as operating cash flows less capital expenditures plus proceeds from disposal of assets but not including proceeds from disposition of principal business units. In this context, Free Cash Flow was used by management of McDermott to provide additional information with respect to available cash and liquidity. These measures are not in accordance with, or a substitute for, GAAP, and may be different from or inconsistent with non-GAAP financial measures used by other companies. Free Cash Flow should not be considered in isolation or as a substitute for cash flows from operating activities or any other measure of financial performance presented in accordance with GAAP or as a measure of a company's profitability or liquidity.

The McDermott Forward-Looking Financial Information is included in this document solely because it was made available, in whole or in part, to the McDermott Board, the Management Board of CB&I, the Supervisory Board of CB&I and McDermott's financial advisors, Goldman Sachs and Greenhill, in connection with their respective evaluations of the Combination. The McDermott Forward-Looking Financial Information was not prepared with a view toward public disclosure, published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial and operating information, and does not reflect McDermott's current outlook.

The McDermott Forward-Looking Financial Information also does not reflect the adoption of ASU 2014-09, *Revenue from Contracts with Customers* (ASC 606). McDermott adopted the new standard on January 1, 2018 using the

modified retrospective approach, applying the new standard only to those contracts that are not substantially complete on the date of initial application. McDermott is currently finalizing its assessment of the impact of this ASU and the amendments on its future Consolidated Financial Statements and related disclosures. The adoption of ASC 606 resulted in the following changes to McDermott's revenue recognition policy:

Unlike in the McDermott Forward-Looking Financial Information, McDermott now measures transfer of control utilizing an input method to measure progress for individual contracts or combinations of contracts based on the total cost of materials, labor, equipment and vessel operating costs and other

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costs incurred as applicable to each contract. Prior to the adoption of ASC Topic 606, certain costs, such as significant costs for materials and third-party subcontractors, were excluded from McDermott's cost-to-cost method of measuring progress for revenue recognition, which resulted in the recognition of an asset related to cost incurred in excess of cost recognized.

Unlike in the McDermott Forward-Looking Financial Information, variable consideration, including change orders, claims, bonus, incentive fees and liquidated damages or penalties are included in McDermott's estimated contract revenue at the most likely amount to which McDermott expects to be entitled. McDermott includes variable consideration in the estimated transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur or when the uncertainty associated with the variable consideration is resolved. Prior to the adoption of ASC Topic 606, in certain circumstances McDermott's estimated contract revenue was limited to amounts equal to costs expected to be incurred.

**Certain Forward-Looking Financial Information Prepared by CB&I**

CB&I does not, as a matter of course, make public forward-looking financial information as to future performance, revenues, earnings, or other results, other than providing estimated ranges of expected earnings and earnings growth for periods no longer than four quarters as disclosed in regular press releases and investor materials. However, for internal purposes and in connection with the process leading to the Business Combination Agreement, the management of CB&I prepared certain projections of future financial and operating performance of CB&I for the years 2017 through 2022 (the "CB&I Forward-Looking Financial Information").

The CB&I Forward-Looking Financial Information were not prepared for the purpose of public disclosure, nor were they prepared in compliance with published guidelines of the SEC, or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of financial forecasts, or U.S. GAAP. CB&I provided the CB&I Forward-Looking Financial Information to its financial advisor in connection with the Business Combination Agreement discussions. In addition, CB&I provided the revenue and adjusted EBITDA amounts for 2017 through 2020 included in the CB&I Forward-Looking Financial Information to McDermott and its financial advisors. The inclusion of the CB&I Forward-Looking Financial Information should not be regarded as an indication that the CB&I Boards, CB&I, the McDermott Board, McDermott, or any of their respective financial advisors considered, or now considers, it to be an assurance of the achievement of future results or an accurate prediction of future results. This information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this document are cautioned not to place undue reliance on the forward-looking financial information. The summary of the CB&I Forward-Looking Financial Information is not being included in this document to influence the decision of CB&I shareholders whether to vote for the proposals on the agenda at the CB&I Special General Meeting, but is being provided to give McDermott stockholders access to certain nonpublic information provided to the CB&I Boards, CB&I's financial advisor, the McDermott Board and McDermott's financial advisor for purposes of considering and evaluating the Combination.

The CB&I Forward-Looking Financial Information is based on numerous estimates and assumptions that are inherently uncertain and, though considered reasonable by the management of CB&I as of the date of the preparation, are subject to a wide variety of significant business, economic, regulatory and competitive risks and uncertainties that could cause actual results to differ materially from those reflected in the CB&I Forward-Looking Financial Information, including, among other things, the matters described in the sections entitled "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors" of this document and risks identified in other SEC filings that are incorporated by reference in this document. Accordingly, there can be no assurance that the CB&I Forward-Looking Financial Information will be indicative of the future performance of CB&I or that actual results will not differ materially from those presented in the CB&I Forward-Looking Financial Information. Inclusion of the

CB&I Forward-Looking Financial Information in this document should not be regarded as a representation by any person that the results contained in the CB&I Forward-Looking



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Financial Information will be achieved. The CB&I Forward-Looking Financial Information should not be relied upon as indicative of future results, and readers of this document are cautioned not to place undue reliance on the CB&I Forward-Looking Financial Information. Further, the inclusion of the CB&I Forward-Looking Financial Information does not constitute an admission or representation by McDermott that this information is material and CB&I has made no representation to McDermott, in the Business Combination Agreement or otherwise, concerning the McDermott Forward-Looking Financial Information.

Except as may be required by applicable law, CB&I does not intend to update or otherwise revise the CB&I Forward-Looking Financial Information to reflect circumstances existing since the preparation of the CB&I Forward-Looking Financial Information or to reflect the occurrence of unanticipated events, including in the event that any of the underlying assumptions prove to be in error. Furthermore, CB&I does not intend to update or revise the CB&I Forward-Looking Financial Information in this document to reflect changes in general economic or industry conditions.

Neither CB&I's independent auditors, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the CB&I Forward-Looking Financial Information contained in this document, nor have they expressed any opinion or any other form of assurance on the CB&I Forward-Looking Financial Information or its achievability, and assume no responsibility for, and disclaim any association with, the CB&I Forward-Looking Financial Information.

The CB&I Forward-Looking Financial Information was prepared separately from the McDermott Forward-Looking Financial Information and the McDermott Forward-Looking Financial Information and CB&I Forward-Looking Financial Information are not intended to be added together. Adding the McDermott Forward-Looking Financial Information and the CB&I Forward-Looking Financial Information together would not represent the results the combined business would achieve if the Combination is completed.

<i>(in millions)</i>	<b>CB&amp;I Forward-Looking Financial Information</b>					
	<b>2017E</b>	<b>2018E</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Revenue	\$ 6,847	\$ 6,986	\$ 6,063	\$ 6,600	\$ 6,798	\$ 7,002
Adjusted EBITDA <sup>(1)</sup>	574	558	555	694	715	736
Unlevered Free Cash Flow <sup>(2)</sup>	*	(89)	269	483	482	496

- (1) Adjusted EBITDA, a non-GAAP measure, is defined as earnings before interest, taxes, depreciation and amortization, and was calculated treating stock-based compensation as an expense and adjusted for the estimated value of net income attributable to non-controlling interests, the exclusion of the Capital Services business and certain project charges incurred in 2017. In addition, current presentation of EBITDA may not be comparable to similarly titled measures in other companies' reports. EBITDA should not be considered in isolation from, or as a substitute for, net income or cash flow measures prepared in accordance with U.S. GAAP.
- (2) Unlevered Free Cash Flow, a non-GAAP measure, is defined as Adjusted Income From Operations less provision for income taxes plus depreciation and amortization minus the increase in net working capital or plus the decrease in net working capital minus capital expenditures and adjusted for the cash flow impact from equity investment earnings and certain other items. Adjusted Income From Operations, a non-GAAP measure, is defined as Adjusted EBITDA less depreciation and amortization. These measures are not in accordance with, or a substitute for, GAAP, and may be different from or inconsistent with non-GAAP financial measures used by other

companies. Unlevered Free Cash Flow should not be considered in isolation or as a substitute for cash flows from operating activities or any other measure of financial performance presented in accordance with GAAP or as a measure of a company's profitability or liquidity.

\* 2017E Unlevered Free Cash Flow was not included in the CB&I Forward-Looking Financial Information.

**Accounting Treatment**

The Combination will be accounted for as a business combination in accordance with Accounting Standards Codification Topic ASC 805, *Business Combinations* ( ASC 805 ), with McDermott treated as the acquirer

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and CB&I treated as the acquired company for financial reporting purposes. McDermott will record net tangible and identifiable intangible assets acquired and liabilities assumed from CB&I at their respective fair values as of the Closing Date (as defined herein). Any excess of the purchase price over the fair value of the identifiable net assets of CB&I will be recorded as goodwill.

After completion of the Combination, McDermott's financial condition and results of operations will reflect CB&I's balances and results of operations. McDermott's assets, liabilities and results of operations will not be restated retroactively to reflect the historical financial position or results of operations of CB&I. McDermott's earnings following the closing of the Combination will reflect acquisition accounting adjustments, including the effects of changes in the carrying values for assets and liabilities on depreciation and amortization expense. Goodwill will not be amortized but will be tested for impairment at least annually, and all assets including goodwill will be tested for impairment when certain indicators are present. If, in the future, McDermott determines tangible or intangible assets (including goodwill) are impaired, McDermott would record an impairment charge at that time.

**Interests of Certain Persons in the Combination*****McDermott International, Inc.***

When considering the recommendation of the McDermott Board that holders of shares of McDermott Common Stock vote in favor of the proposals on the agenda at the McDermott Special Meeting, holders of shares of McDermott Common Stock should be aware that directors and executive officers of McDermott have certain interests in the Combination that may be different from, or in addition to, the interests of McDermott stockholders generally. The McDermott Board was aware of these interests and considered them, among other things, in evaluating and negotiating the Combination, the Business Combination Agreement and the other transactions contemplated thereby, and in making its recommendation that McDermott stockholders vote to approve the proposals. The material interests of directors and executive officers of McDermott are summarized in more detail below.

***McDermott Executive Officers***

McDermott's current executive officers for purposes of the discussion below are: (1) David Dickson, President and Chief Executive Officer, (2) Stuart Spence, Executive Vice President and Chief Financial Officer, (3) John Freeman, Senior Vice President, General Counsel and Corporate Secretary, (4) Jonathan Kennefick, Senior Vice President, Project Execution and Delivery, (5) Brian McLaughlin, Senior Vice President, Commercial, (6) Linh Austin, Vice President, Middle East and Caspian, (7) Ian Prescott, Vice President, Asia, (8) Andrew Leys, Vice President, Human Resources, (9) Chris Krummel, Vice President, Finance and Chief Accounting Officer, and (10) Scott Munro, Vice President, Americas, Europe and Africa. Messrs. Dickson, Spence, Kennefick, and Austin were named executive officers in McDermott's proxy statement for its 2017 annual meeting of stockholders (referred to herein as the McDermott NEOs). Liane Hinrichs, also a named executive officer in McDermott's proxy statement for its 2017 annual meeting of stockholders, resigned from the role of Senior Vice President, General Counsel and Corporate Secretary effective August 13, 2017, and retired from McDermott effective December 31, 2017. In connection with her retirement, Ms. Hinrichs' then-existing equity awards and other benefits will be treated in accordance with the provisions of her separation agreement with McDermott, and she will not receive any severance or enhanced benefits as an executive in connection with the Combination. As a result, unless specifically noted, Ms. Hinrichs has been omitted from the discussion and tables below.

***Assumptions***

The potential payments in the narrative and tables below are, unless otherwise noted, based on the following assumptions:

the relevant price per share of McDermott Common Stock is \$6.70, which equals the average closing price of a share of McDermott Common Stock over the five business day period following the first

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public announcement of the Combination on December 18, 2017 and is the assumed price solely for purposes of the disclosures provided below;

the effective time of the Combination is February 23, 2018, which is the latest practicable date prior to the filing of this document with the SEC; and

the McDermott NEOs are terminated without cause or resign for good reason, in either case immediately following the assumed effective time of the Combination on February 23, 2018.

The amounts set forth in the narrative and tables below are estimates of amounts that would be payable to the McDermott executive officers based on multiple assumptions that may or may not actually occur, including the assumptions described above. Some of the assumptions are based on information not currently available and, as a result, the actual amounts received by a McDermott executive officer may differ materially from the amounts shown in the following table. In particular, no McDermott executive officer is expected to experience a qualifying termination in connection with the Combination.

*McDermott Equity Awards*

The McDermott Board has determined that the consummation of the transactions contemplated by the Business Combination Agreement will not constitute a change in control within the meaning of McDermott's benefit plans or agreements, other than the change-in-control agreements that McDermott has with various officers, the terms of which are further described below. However, under the terms of McDermott's 2016 Long-Term Incentive Plan (the 2016 Plan), 2014 Long-Term Incentive Plan (the 2014 Plan) and 2009 Long-Term Incentive Plan (the 2009 Plan), and collectively with the 2016 Plan and the 2014 Plan, the Incentive Plans, a change in control will occur if within one year following the Combination, either: (1) Mr. Dickson ceases to be the chief executive officer of McDermott for any reason (other than as a result of death, disability or voluntary resignation); or (2) the McDermott directors in place at the time of the signing of the Business Combination Agreement cease to constitute a majority of the McDermott Board for any reason (other than as a result of the McDermott director's death, disability or voluntary resignation). If a change in control occurs under the Incentive Plans, then equity awards granted under the 2009 Plan and 2014 Plan immediately will vest, and awards granted under the 2016 Plan will vest upon a termination of employment without cause or for good reason during the one year period following the change in control. Any performance share awards relating to McDermott Common Stock that vest as described in the immediately preceding sentence will vest based on the greater of target and actual performance through the date of the change in control. An estimate of the amounts potentially payable to each McDermott NEO in respect of his outstanding, unvested equity awards is set forth in the table below. The estimated aggregate amounts payable to McDermott's executive officers (other than the McDermott NEOs) upon the occurrence of the change in control in respect of their outstanding McDermott equity awards is \$2,323,908 and the estimated aggregate amount that would become payable upon a qualifying termination during the one year following the change in control in respect of his outstanding McDermott equity awards is \$1,851,853, assuming vesting based on target performance for performance share awards.

*McDermott Change-in-Control Agreements*

McDermott has change-in-control agreements with its executive officers, including each of McDermott's named executive officers, other than Mr. Krummel. Generally, under these agreements, if an executive officer is terminated within one year following a change in control either: (1) by McDermott for any reason other than cause or death or disability; or (2) by the executive officer for good reason, McDermott is required to pay the executive a severance payment equal to a multiple (2.5 for Mr. Dickson, 2 for Messrs. Spence and Kennefick, and 1 for Mr. Austin and each

other executive officer) of the sum of (a) the executive officer's base salary and (b) target award under the Executive Incentive Compensation Plan ( EICP ), payable on the 60th day following termination. Any equity awards that are outstanding as of the date of the executive's termination of employment would be accelerated and paid as of the date 60 days following the termination. In addition to these payments, the executive officer would be entitled to accelerated vesting of any unvested amount credited to the executive's

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account under the McDermott Executive Deferred Compensation Plan ( DCP ), as well as various accrued benefits earned through the date of termination, such as earned but unpaid salary, earned but unused vacation and reimbursements. The change-in-control agreements do not provide for excise tax gross-ups. They do, however, provide for the potential reduction in payments to the applicable executive officer to avoid excise taxes if the net after-tax amount to be received by the officer as a result of reducing benefits would be greater as a result. Each executive officer would also be entitled to a prorated target EICP award for the year of his termination, paid on the 60<sup>th</sup> day following termination. An executive officer's entitlement to severance benefits under his change-in-control agreement is conditioned on the execution of a waiver and release in favor of McDermott and its affiliates. For purposes of the change-in-control agreements, cause generally means: (1) the continued failure of the executive to substantially perform his duties with McDermott after a written demand for substantial performance is delivered to the executive, after which the executive will have 30 days to defend or remedy such failure to substantially perform his duties; (2) the engaging by the executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to McDermott; or (3) the conviction of the executive with no further possibility of appeal for, or plea of guilty or nolo contendere by the executive to, any felony. Good reason generally means: (1) a material diminution in the duties or responsibilities of the executive; (2) a material reduction in the executive's annual salary; (3) the failure by McDermott to continue in effect any compensation plan which is material to the executive's total compensation, unless a comparable arrangement has been made with respect to such plan, or the failure by McDermott to continue the executive's participation therein, unless the action by McDermott applies to all similarly situated employees; (4) the failure by McDermott to continue to provide the executive with material benefits in the aggregate that are substantially similar to those enjoyed by the executive under any of McDermott's pension, savings, life insurance, medical, health and accident, or disability plans if such benefits are material to the executive's total compensation; (5) the taking of any other action by McDermott which would directly or indirectly materially reduce any of such benefits or deprive the executive of any fringe benefit if such fringe benefit is material to the executive's total compensation, unless the action by McDermott applies to all similarly situated employees; or (6) a change in the location of the executive's principal place of employment by more than 50 miles without the executive's consent. An estimate of the amounts potentially payable under the change-in-control agreements to each McDermott NEO is set forth in the table below. The estimated aggregate amounts potentially payable under the change-in-control agreements (excluding the value of accelerated equity vesting) to each executive officer other than the McDermott NEOs is \$5,425,506.

*McDermott Retention Program*

McDermott may implement a retention bonus program prior to the Exchange Offer Effective Time. As of the date hereof, no such program has been implemented.

*Continued Service of McDermott Directors and Executive Officers*

In addition, six members of the McDermott Board (including Mr. Dickson) are expected to remain members of the Board of Directors following the effective time of the Combination. Mr. Dickson will continue as the President and Chief Executive Officer of McDermott and Mr. Spence will continue as the Executive Vice President and Chief Financial Officer of McDermott.

*Combination-Related Compensation for McDermott's Named Executive Officers*

The table below sets forth for each of the McDermott NEOs estimates of the amounts of compensation that are based on or otherwise relate to the Combination. Certain amounts will or may become payable on a qualifying termination of employment following the Combination (*i.e.*, on a double-trigger basis). There are no amounts payable to the McDermott NEOs immediately upon the completion of the Combination, absent a termination of employment.

However, there are certain amounts that would be paid if, during the one year following the completion of the Combination, either (1) Mr. Dickson ceases to be the chief executive officer of McDermott for any reason (other than as a result of death, disability or voluntary resignation); or (2) the McDermott directors in



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place at the time of the signing of the Business Combination Agreement cease to constitute a majority of the McDermott Board for any reason (other than as a result of the McDermott director's death, disability or voluntary resignation), which are described in more detail in the narrative above and tables below.

The amounts shown are, unless otherwise noted, calculated based on the assumptions described under Assumptions above and noted in the footnotes below, which may or may not actually occur. Some of the assumptions are based on information not currently available and, as a result, the actual amounts received by a McDermott NEO may differ materially from the amounts shown in the following table. In particular, no McDermott NEO is expected to experience a qualifying termination in connection with the Combination.

Name	Cash <sup>(1)</sup>	Equity <sup>(2)</sup>	Nonqualified Deferred Compensation <sup>(3)</sup>	Total
Mr. Dickson	\$ 5,861,466	\$ 17,623,720	\$ 68,949	\$ 23,554,135
Mr. Spence	\$ 2,224,089	\$ 5,275,459	\$ 53,875	\$ 7,553,423
Mr. Austin	\$ 801,068	\$ 1,275,312	\$ 22,074	\$ 2,098,454
Mr. Kennefick	\$ 1,340,240	\$ 1,242,361	\$ 28,011	\$ 2,610,612

- (1) The cash payments represent double-trigger payments including both a salary-based severance payment and an EICP-based severance payment. The salary-based severance payment to be made to Mr. Dickson in connection with a termination following a change in control would be a cash payment equal to 250% of the sum of his annual base salary prior to termination and his EICP target award applicable to the year in which the termination occurs. The severance payment to be made to Messrs. Spence and Kennefick in connection with a termination following a change in control would be a cash payment equal to 200% of the sum of his annual base salary prior to termination and his EICP target award applicable to the year in which the termination occurs. The severance payment made to Mr. Austin in connection with a termination following a change in control would be a cash payment equal to 100% of the sum of his annual base salary prior to termination and his EICP target award applicable to the year in which the termination occurs.

For a hypothetical termination as of February 23, 2018, the cash severance payment payable in connection with a change in control would be calculated based on the following base salary and target EICP awards.

	Annual Base Salary	Severance	Target EICP Award
Mr. Dickson	\$	900,000	\$ 990,000
Mr. Spence	\$	510,000	\$ 382,500
Mr. Austin	\$	350,000	\$ 210,000
Mr. Kennefick	\$	375,000	\$ 187,500

Each listed McDermott NEO could receive up to two EICP-based severance payments in connection with a change in control depending on the timing of the termination relative to the payment of an EICP award, as follows:

If an EICP award for the year prior to termination is paid to other EICP participants after the date of the McDermott NEO's termination, the McDermott NEO would be entitled to a cash payment equal to the product of

the McDermott NEO's target EICP percentage (or, if greater, the actual amount of the bonus determined under the EICP for the year prior to termination) and the McDermott NEO's annual base salary for the applicable period. The cash severance amounts above include an amount payable in respect of 2017 EICP awards based on assumed achievement of EICP performance objectives in 2017 at target.

The McDermott NEO would be entitled to a prorated EICP payment based upon the McDermott NEO's target EICP percentage for the year in which the termination occurs and the number of days in which the McDermott NEO was employed with McDermott during that year. Based on a hypothetical February 23, 2018 termination, each McDermott NEO would have been entitled to an EICP payment equal to 14.8% of his 2018 target EICP award, calculated based on the target EICP award set forth in the table above.

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- (2) The following two paragraphs describe the accelerated vesting provisions applicable to McDermott equity awards under the McDermott change-in-control agreements and the Incentive Plans. The change-in-control agreements and the Incentive Plans contain different definitions of change in control. Consummation of the Combination will constitute a change in control under the McDermott change-in-control agreements. In contrast, a change in control under the Incentive Plans will occur following consummation of the Combination only if certain additional events described below also occur.

Under the terms of the change-in-control agreements, all equity awards that are outstanding as of the date of the McDermott NEO's qualifying termination of employment would be accelerated and paid as of the date 60 days following such termination. The estimated double-trigger payments reflect the unvested portion of restricted stock units and performance shares or units for which vesting would accelerate upon a qualifying termination following the closing of the Combination. A change in control will occur for purposes of the Incentive Plans if within one year following the Combination, either: (1) Mr. Dickson ceases to be the chief executive officer of McDermott for any reason (other than as a result of death, disability or voluntary resignation); or (2) the McDermott directors in place at the time of the signing of the Business Combination Agreement cease to constitute a majority of the McDermott Board for any reason (other than as a result of the McDermott director's death, disability or voluntary resignation). Unvested awards granted under the 2009 Plan and 2014 Plan would vest upon a change in control and unvested awards under the 2016 Plan would vest if the holder's employment were terminated other than for cause or by the holder for good reason within one year following a change in control. As a result, although there are no single-trigger payments due to the McDermott NEOs upon the closing of the Combination, there may be single-trigger payments due to the McDermott NEOs under the Incentive Plans if a change in control (as defined in the Incentive Plans) occurs following the closing of the Combination. Any performance share awards relating to McDermott Common Stock that vest as described in the immediately preceding sentence will vest based on the greater of target and actual performance through the date of the change in control. The amounts described in this paragraph assume vesting of performance share awards based on target performance.

The value of each McDermott NEO's outstanding equity awards under the 2009 Plan and 2014 Plan is: for Mr. Dickson, unvested restricted stock units and performance share awards valued at \$4,307,598 and \$8,946,577, respectively; for Mr. Spence, unvested restricted stock units and performance share awards valued at \$1,325,414 and \$2,584,565, respectively; for Mr. Austin, unvested restricted stock units and performance share awards valued at \$513,582 and \$397,625, respectively; and for Mr. Kennefick, unvested restricted stock units and performance share awards valued at \$364,480 and \$695,482, respectively. The value of each McDermott NEO's outstanding equity awards under the 2016 Plan is: for Mr. Dickson, unvested restricted stock units and performance share awards valued at \$2,184,770 and \$2,184,776, respectively; for Mr. Spence, unvested restricted stock units and performance share awards valued at \$682,737 and \$682,743, respectively; for Mr. Austin, unvested restricted stock units and performance share awards valued at \$182,046 and \$182,059, respectively; and for Mr. Kennefick, unvested restricted stock units and performance share awards valued at \$91,013 and \$91,026, respectively.

- (3) This double-trigger payment represents the amount of the unvested portion of the McDermott NEO's balances under the DCP that will vest on the McDermott NEO's qualifying termination of employment. The amounts reported represent 20% of Mr. Dickson's, 40% of Mr. Spence's, 80% of Mr. Austin's and 60% of Mr. Kennefick's respective DCP balances as of February 23, 2018 that would become vested on a termination.

***Chicago Bridge & Iron Company N.V.******CB&I Named Executive Officers***

CB&I's named executive officers for purposes of this disclosure are: (1) Patrick K. Mullen, President and Chief Executive Officer; (2) Michael S. Taff, Executive Vice President and Chief Financial Officer; (3) James W. Sabin, Executive Vice President of Global Operations Services; (4) Duncan N. Wigney, Executive Vice President of Engineering and Construction; and (5) Daniel M. McCarthy, Executive Vice President of Technology

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(referred to herein as the CB&I NEOs ). Philip K. Asherman, former President and Chief Executive Officer, Luke V. Scorsone, former Executive Vice President, Fabrication Services and Edgar C. Ray, former Executive Vice President, Capital Services were each named executive officers for purposes of CB&I's 2017 proxy statement but each individual terminated employment with CB&I during fiscal year 2017. Messrs. Asherman, Scorsone and Ray will not receive any additional severance or enhanced benefits in connection with the Combination.

*Assumptions*

The potential payments quantified in the narrative and tables below are, unless otherwise noted, based on the following assumptions:

the effective time of the Combination is February 23, 2018, solely for purposes of this compensation-related disclosure; the executive officers are terminated without cause or resign for good reason, in either case immediately following the assumed effective time of the Combination;

the Exchange Offer Ratio is 2.47221 and the McDermott Reverse Stock Split does not occur prior to the effective time of the Combination;

the relevant price per share of McDermott Common Stock is \$6.70, which equals the average closing price of a share of McDermott Common Stock over the five business day period following the first public announcement of the Combination on December 18, 2017 and is the assumed price solely for purposes of this compensation-related disclosure; and

the relevant price per share of CB&I Common Stock on December 18, 2017 is \$17.92, which was the closing price of a share of CB&I Common Stock on such date.

The amounts set forth in the narrative and tables below are estimates of amounts that would be payable to the executive officers based on multiple assumptions that may or may not actually occur, including the assumptions described above. Some of the assumptions are based on information not currently available and, as a result, the actual amounts received by an executive officer may differ materially from the amounts shown in the following table.

*CB&I Change-in-Control Agreements*

Messrs. Mullen, Taff, Sabin, Wigney, McCarthy and two other CB&I executive officers each entered into a change-in-control agreement at or around the time the executive officer was hired or promoted into a role that reports directly to the Chief Executive Officer of CB&I. For purposes of the change-in-control agreements, a change-in-control occurred on December 18, 2017, the date on which the CB&I Supervisory Board approved the Business Combination Agreement and the Combination (the Change-in-Control Date ). On the Change-in-Control Date, each executive officer fully vested in his or her outstanding, unvested CB&I Restricted Stock Unit Awards and CB&I Performance Share Awards and, for Mr. Wigney, CB&I Options. The CB&I Performance Share Awards vested at 100% of target on the Change-in-Control Date and will be settled in cash upon the closing of the Combination and the CB&I Restricted Stock Unit Awards held by Mr. McCarthy vested on the Change-in-Control Date and will be settled in shares of McDermott Common Stock upon the closing of the Combination, in each case, as described in

Treatment of Equity Awards beginning on page 132. The estimated value of the benefits provided to each CB&I NEO

under the change-in-control agreements on the Change-in-Control Date is set forth in the tables below. The estimated value of the accelerated vesting of equity awards on the Change-in-Control Date is quantified below under CB&I Equity Awards. In addition, each CB&I NEO is eligible to receive a target bonus for the year in which the Change-in-Control Date occurred, in two installments: (1) a prorated target bonus was paid on the Change-in-Control Date and (2) the remaining portion of the target bonus will be paid in March 2018. The aggregate value of the target annual cash bonuses provided to CB&I's executive officers (other than the CB&I NEOs) under the change-in-control agreements on the Change-in-Control Date is \$615,000, which is based on the same assumptions used to calculate the values for the CB&I NEOs in the tables below.

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Pursuant to the change-in-control agreements, if, prior to the third anniversary of the Change-in-Control Date, an executive officer's employment is terminated without cause or the executive officer resigns with good reason, the executive officer would be eligible to receive the following benefits: (1) a prorated bonus for the year of termination, based on the greater of actual performance through the date of the termination and target performance, paid in a lump sum within five days of the termination date, (2) a lump sum cash payment equal to three times the sum of the executive officer's base salary and target bonus, paid on the six month anniversary of the termination date, with interest, (3) reimbursement of outplacement costs, in an amount not to exceed 20% of the executive officer's base salary, paid in a lump sum (without interest) on the six month anniversary of the termination date, (4) continued welfare benefits until the third anniversary of the termination date and (5) solely for Messrs. Mullen and McCarthy, family medical benefits until the later of the executive officer's death or the death of the executive officer's spouse (on terms and costs similar to active peer employees until the executive officer turns age 65 and on terms and costs similar to retired peer employees thereafter). The estimated value of the benefits that would be payable to each CB&I NEO upon the occurrence of a qualifying termination under the change-in-control agreements is set forth in the tables below. The estimated aggregate value of the benefits that would be payable to CB&I's executive officers (other than the CB&I NEOs) upon a qualifying termination of employment under the change-in-control agreements is \$5,094,428, which is based on the same assumptions used to calculate the values for the CB&I NEOs in the tables below.

For purposes of each change-in-control agreement, "cause" means (1) a conviction of a felony or of a crime involving moral turpitude, or (2) willful or intentional misconduct by the executive officer in the performance of his or her duties under the agreement or willful or intentional breach of the agreement that, in either case, results in material financial detriment, but for purposes of clauses (1) and (2), does not include bad judgment, negligence, actions taken or omissions made in good faith, actions indemnifiable by CB&I, or actions known to CB&I for more than a year before the purported termination. Resignation with "good reason" means the assignment of duties to the executive officer inconsistent with the executive officer's position, authorities or duties, any diminution or other material adverse changes in the executive's duties, title reporting requirements or responsibilities, the failure by CB&I to provide the compensation, incentive compensation, work location, plan and other payments, benefits and perquisites called for by the change-in-control agreement, or other breaches of the change-in-control agreement by CB&I, an 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 change-in-control agreement, any other purported termination of the executive's employment not contemplated by the change-in-control agreement, or failure of a successor to assume and perform the change-in-control agreement. The existence of good reason is judged conclusively by the executive unless it is determined by clear and convincing evidence that the executive did not have good reason.

The change-in-control agreements also provide for certain other benefits, including the following: (1) vested amounts accrued under any deferred compensation plan or excess plan will be paid upon the earlier of closing of the Combination or the executive officer's severance-qualifying termination of employment that occurs during the two years following the closing of the Combination, to the extent such payment is permitted by the terms of the plan and tax code requirements, (2) reimbursement for legal, accounting and other fees incurred by the executive officer to secure the executive officer's payments under the agreement and (3) during the three years following the Change-in-Control Date, certain guaranteed levels of compensation and benefits, including a guaranteed annual bonus in respect of each annual performance period that ends during the three years following the change-in-control equal to the greater of the executive officers target annual bonus (or, if greater, the target bonus in effect immediately prior to the change-in-control) and the actual bonus payable in respect of the applicable fiscal year. The obligation to pay legal fees of the executive officers is required to be secured by the terms of a letter of credit and escrow arrangement funded in the amount of \$2 million.

For each executive officer party to a change-in-control agreement other than Mr. McCarthy, if the executive officer's merger related payments or benefits are subject to the 20% excise tax under Section 4999 of the tax code, then the

executive officer will either receive all such payments and benefits subject to the excise tax or such payments and benefits will be reduced so that the excise tax does not apply, whichever approach yields the



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best after tax outcome for the executive officer. If Mr. McCarthy is subject to the 20% excise tax under Section 4999 of the Internal Revenue Code, he is eligible to receive a gross-up payment to cover the amount of such taxes pursuant to the terms of his existing change-in-control agreement. CB&I does not provide any other excise tax gross-ups.

Pursuant to the change-in-control agreements, each executive officer is subject to restrictions on competing with CB&I and soliciting CB&I's employees and customers for one year.

*CB&I Equity Awards*

Upon the closing of the Combination, outstanding CB&I Options, CB&I Restricted Stock Unit Awards and CB&I Performance Share Awards held by CB&I's executive officers and non-employee directors will be treated as described under "Treatment of Equity Awards" beginning on page 132, except as otherwise noted in this section. With respect to Messrs. Mullen, Taff, Sabin, Wigney and McCarthy and two other CB&I executive officers party to change-in-control agreements, as described under "CB&I Change-in-Control Agreements" above, each of their outstanding, unvested CB&I equity awards vested on the Change-in-Control Date. With respect to CB&I's executive officers not party to a change-in-control agreement, such executive officer's special CB&I Restricted Stock Unit Award granted in June 2017 will vest upon the closing of the Combination and such executive officer's CB&I Restricted Stock Unit Awards that were outstanding as of February 23, 2018 will vest upon a termination without cause (or, for CB&I Restricted Stock Unit Awards granted on or following the Change-in-Control Date, a resignation with good reason).

In accordance with the terms of the Business Combination Agreement, CB&I made annual grants of equity awards in the form of CB&I Restricted Stock Unit Awards to its executive officers (including those party to change-in-control agreements) in February 2018, which will be treated as described under "Treatment of Equity Awards" above and vest, in each case, upon a termination of the executive officer's employment without cause or resignation with good reason.

The estimated value of the accelerated vesting of equity awards held by the CB&I NEOs is quantified in the table below under "Combination Related Compensation for CB&I's Named Executive Officers." The estimated value of the benefits that CB&I's executive officers (other than the CB&I NEOs) and non-employee directors would, or did, receive in respect of their CB&I Options, CB&I Restricted Stock Unit Awards and CB&I Performance Share Awards in connection with the Combination is \$3,847,915.

*CB&I Retention Program*

CB&I may, in consultation with McDermott, implement a retention bonus program. Executive officers of CB&I, other than the executive officers party to change-in-control agreements, may receive retention bonuses in CB&I's discretion. Prior to the execution of the Business Combination Agreement, CB&I granted retention awards to certain employees. None of the CB&I NEOs have received a retention award. The aggregate value of retention awards granted to CB&I's executive officers, other than the CB&I NEOs, is \$805,834, which will be paid 50% upon the closing of the Combination and 50% on the six month anniversary of the closing of the Combination. If the executive officer is terminated without cause or experiences a constructive termination prior to payment, subject to the executive officer's execution and non-revocation of a release of claims, the executive officer will receive any unpaid portion of the retention award.

*Agreements with Patrick K. Mullen*

CB&I and McDermott intend to enter into a letter agreement with Patrick Mullen memorializing the terms of his compensation and benefits following the closing of the Combination. Following the closing of the Combination, Mr. Mullen will cease to hold the title of President and Chief Executive Officer will instead serve as Executive

Advisor to the Chief Executive Officer of McDermott, with a base salary of \$1,133,000, a target bonus

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opportunity of 130% of base salary and perquisites provided at the same level and on the same terms as such perquisites are provided today. The amounts payable to Mr. Mullen under his change-in-control agreement will become fully vested and non-forfeitable upon the closing of the Combination and will be paid following his termination of employment for any reason at the times specified in the change in control agreement and in accordance with applicable tax code requirements. All other rights under Mr. Mullen's change-in-control agreement will remain in effect. Following the closing of the Combination, Mr. Mullen will be eligible to receive customary indemnification rights for his service as a senior executive officer, including coverage under McDermott's directors' and officers' liability policy. In addition, Mr. Mullen was granted an annual CB&I Restricted Stock Unit Award grant in February 2018 with a grant date value of \$6.5 million that will accelerate upon a termination of his employment without cause or his resignation with good reason (including ceasing to be Chief Executive Officer following the closing of the Combination).

*Indemnification Insurance*

Pursuant to the terms of the combination agreement, members of the CB&I Boards and executive officers of CB&I will be entitled to certain ongoing indemnification and coverage under directors' and officers' liability insurance policies following the Combination. Such indemnification and insurance coverage is further described in the section entitled "Indemnification and Directors' and Officers' Insurance" beginning on page 142.

*Combination Related Compensation for CB&I's Named Executive Officers*

The table below sets forth for each of the CB&I NEOs estimates of the amounts of compensation that are based on or otherwise relate to the Combination. Certain payments and benefits will or may become payable on a qualifying termination of employment following the Combination (i.e., on a "double-trigger" basis). Certain other benefits were paid on the Change-in-Control Date or will become payable upon the occurrence of the closing of the Combination (i.e., on a "single-trigger" basis).

Messrs. Asherman, Scorsone and Ray were each named executive officers for purposes of CB&I's 2017 proxy statement but each such individual terminated employment with CB&I during fiscal year 2017. Messrs. Asherman, Scorsone and Ray will not receive any additional severance or enhanced benefits in connection with the Combination, and thus they have been excluded from the table below. Messrs. Asherman and Scorsone hold outstanding, unvested CB&I Performance Shares that will be treated as described under "Treatment of Equity Awards" upon the closing of the Combination. The estimated aggregate value of the vesting of the CB&I Performance Share awards held by Messrs. Asherman and Scorsone is \$4,688,733.

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The amounts shown are, unless otherwise noted, calculated based on the assumptions described under Assumptions above and noted in the footnotes below, which may or may not actually occur. Some of the assumptions are based on information not currently available and, as a result, the actual amounts received by a CB&I NEO may differ materially from the amounts shown in the following table.

<b>Name</b>	<b>Cash (\$)<sup>(1)</sup></b>	<b>Equity (\$)<sup>(2)</sup></b>	<b>Perquisites/ Benefits (\$)<sup>(3)</sup></b>	<b>Tax Reimbursement (\$)<sup>(4)</sup></b>	<b>Total (\$)</b>
<b>Patrick K. Mullen</b>	9,465,608	11,378,193	545,080		21,388,881
Chief Executive Officer					
<b>Michael S. Taff</b>	4,859,813	6,629,110	202,801		11,691,724
Executive Vice President and Chief Financial Officer					
<b>James W. Sabin</b>	3,315,769	2,114,745	158,594		5,589,108
Executive Vice President of Global Operations Services					
<b>Duncan N. Wigney</b>	3,454,073	1,940,521	150,005		5,544,599
Executive Vice President of Engineering and Construction					
<b>Daniel M. McCarthy</b>	4,362,689	4,254,993	270,735		8,888,417
Executive Vice President of Technology					

<sup>(1)</sup> *Cash.* Pursuant to the change-in-control agreement, each CB&I NEO is eligible to receive a target bonus for the year in which the Change-in-Control Date occurred, paid in two installments: (1) a prorated target bonus was paid on the Change-in-Control Date and (2) the remaining portion of the target bonus will be paid in March 2018. The amount of each CB&I NEO's 2017 target bonus is reflected in the table above: Mr. Mullen \$1,430,000; Mr. Taff \$633,141; Mr. Sabin \$431,982; Mr. Wigney \$450,000; and Mr. McCarthy \$575,667. Each of the target bonuses is a single-trigger benefit contingent upon the occurrence of a change in control.

The cash severance payable to each CB&I NEO is a double-trigger benefit contingent upon a termination without cause or resignation with good reason during the three years following the Change-in-Control Date, and consists of the following components: (a) a prorated bonus for the year of termination, based on the greater of actual performance through the date of the termination and target performance and (b) a lump sum cash payment equal to three times the sum of the executive officer's base salary and target bonus.

<b>Named Executive Officer</b>	<b>Prorated Bonus (\$)</b>	<b>Cash Severance Payment (\$)</b>
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Mr. Mullen	217,908	7,817,700
Mr. Taff	96,480	4,130,192
Mr. Sabin	65,827	2,817,960
Mr. Wigney	68,573	2,935,500
Mr. McCarthy	86,445	3,700,577

For further details regarding the cash payments, please see [CB&I Change-in-Control Agreements](#) above.

- (2) *Equity.* On the Change-in-Control Date, each CB&I NEO fully vested in his outstanding, unvested CB&I Options, CB&I Restricted Stock Unit Awards and CB&I Performance Share Awards. The vested CB&I Performance Share Awards will be settled in cash upon the closing of the Combination and the vested CB&I Restricted Stock Unit Awards held by Mr. McCarthy (but not the other CB&I NEOs) will be settled in shares of McDermott Common Stock upon the closing of the Combination. The vesting of outstanding, unvested equity awards was a single-trigger benefit triggered on the Change-in-Control Date. The amounts in the table below reflect the value of unvested CB&I Options held by Mr. Wigney and unvested

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CB&I Restricted Stock Unit Awards held by each CB&I NEO other than Mr. McCarthy that vested as of the Change-in-Control Date, the estimated value of CB&I Performance Share Awards that vested on the Change-in-Control Date, which will be canceled in exchange for cash upon the closing of the Combination, as of the Closing Date, and the value of CB&I Restricted Stock Unit Awards held by Mr. McCarthy that vested on the Change-in-Control Date, which will be cancelled in exchange for shares of McDermott Common Stock upon the closing of the Combination. The amounts below also include \$5,832,322, \$2,362,545, \$908,955, \$1,121,602 and \$1,991,980 in respect of an annual CB&I Restricted Stock Unit Award granted to Messrs. Mullen, Taff, Sabin, Wigney and McCarthy, respectively, in February 2018, the vesting of which would accelerate upon a termination without cause or for good reason. The vesting of CB&I Restricted Stock Unit Awards granted in February 2018 is a double-trigger benefit contingent upon the consummation of the Combination followed by a termination of employment without cause or for good reason. Only Mr. Wigney held unvested CB&I Options as of the Change-in-Control Date. All of Mr. Wigney's CB&I Options that vested on such date are out-of-the-money.

<b>Named Executive Officer</b>	<b>CB&amp;I Options (\$)</b>	<b>CB&amp;I Restricted Stock Unit Awards (\$)</b>	<b>CB&amp;I Performance Share Awards (\$)</b>
Mr. Mullen		9,804,963	1,573,230
Mr. Taff		5,162,832	1,466,278
Mr. Sabin		1,540,080	574,665
Mr. Wigney		1,499,427	441,094
Mr. McCarthy		2,989,419	1,265,574

For further details regarding the CB&I Options, CB&I Restricted Stock Unit Awards and CB&I Performance Share Awards, please see CB&I Change-in-Control Agreements, CB&I Equity Awards and Treatment of Equity Awards beginning on page 132.

- (3) *Perquisites/Benefits.* The CB&I NEOs are entitled to the following double-trigger benefits upon a termination without cause or resignation with good reason during the three years following the Change-in-Control Date: (a) continued welfare benefits until the third anniversary of the termination date, (b) reimbursement of outplacement costs, in an amount not to exceed 20% of the executive officer's base salary, and (c) solely for Messrs. Mullen and McCarthy, family medical benefits until the later of the executive officer's death or the death of the executive officer's spouse (on terms and costs similar to active peer employees until the executive officer turns age 65 and on terms and costs similar to retired peer employees thereafter). For further details regarding the welfare and outplacement benefits, please see CB&I Change-in-Control Agreements above.

<b>Named Executive Officer</b>	<b>Welfare Benefits (\$)</b>	<b>Outplacement Benefits (\$)</b>
Mr. Mullen	318,480	226,600
Mr. Taff	57,882	144,919
Mr. Sabin	59,718	98,876
Mr. Wigney	47,005	103,000
Mr. McCarthy	140,890	129,845

- (4) *Tax Reimbursement.* If Mr. McCarthy is subject to the 20% excise tax under Section 4999 of the Internal Revenue Code, he is eligible to receive a gross-up payment to cover the amount of such taxes pursuant to the

terms of his existing change in control agreement. Mr. McCarthy is not expected to be subject to the excise tax under Section 4999 of the tax code, although estimated excise tax reimbursements are subject to change based on the actual effective time, date of termination of employment (if any) of the executive officer, interest rates then in effect, and certain other assumptions used in the calculations. The gross-up is a single-trigger benefit contingent upon the occurrence of the closing of the Combination. For further details regarding the tax gross up, please see [CB&I Change-in-Control Agreements](#) above.

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### **Listing of McDermott Common Stock; Delisting and Deregulation of CB&I Common Stock**

A condition to completion of the Combination is the approval for listing on the NYSE of all the shares of McDermott Common Stock to be issued in the Combination. McDermott has agreed to use its reasonable best efforts to obtain such approval from the NYSE. CB&I intends to delist the CB&I Common Stock from the NYSE and deregister the CB&I Common Stock under the Securities Exchange Act of 1934, as amended (the Exchange Act ).

### **Resales of McDermott Common Stock**

The shares of McDermott Common Stock to be issued in the Combination will not be subject to any restrictions on transfer existing under the Securities Act, except for any shares issued to any CB&I shareholder who may be deemed to be an affiliate of McDermott after the completion of the Combination. This document does not cover resales of McDermott Common Stock by affiliates of McDermott or CB&I.

### **Regulatory Approvals Related to the Combination**

The Combination was subject to review by the Federal Trade Commission (the FTC ) or the Antitrust Division of the U.S. Department of Justice (the Antitrust Division ) under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act ). Under the HSR Act, McDermott and CB&I were required to make premerger notification filings and to await the expiration or early termination of the statutory waiting period prior to completing the Combination. On January 9, 2018, McDermott and CB&I each filed a Premerger Notification and Report Form with the Antitrust Division and the FTC pursuant to the HSR Act. On January 24, 2018, the Premerger Notification Office of the FTC advised McDermott and CB&I that early termination of the HSR Act waiting period had been granted.

The Russian Law on Protection of Competition requires an application for the consent of the Federal Antimonopoly Service of the Russian Federation in connection with the Combination. Once all required documents and information have been provided, there is a 30 calendar-day initial (phase I) investigation period. At its discretion, the Federal Antimonopoly Service may extend the review period by up to two months for an in-depth (phase II) investigation. McDermott filed an application for the consent of the Russian Federal Antimonopoly Service on February 5, 2018.

Under the terms of the Business Combination Agreement, McDermott and CB&I have agreed to use (and cause their respective subsidiaries to use) their reasonable best efforts to take, or cause to be taken, all actions, and do promptly or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable under applicable laws to consummate and make effective the Combination and the other transactions contemplated by the Business Combination Agreement as promptly as practicable, including actions to obtain any necessary or advisable consents or approvals from third parties or governmental authorities. The McDermott entities that are parties to the Business Combination Agreement have also agreed to take all such action as may be necessary to resolve such objections, if any, that any governmental antitrust entity may assert under applicable antitrust law with respect to the transactions contemplated by the Business Combination Agreement, and to avoid or eliminate, and minimize the impact of, each impediment under antitrust law that may be asserted by any governmental antitrust entity with respect to the Combination to enable the Combination to occur as soon as reasonably possible, and in no event later than June 18, 2018, or a later date if the Termination Date (as defined below) has been extended. However, the Business Combination Agreement does not require any party to take any action with respect to any of the assets, businesses or product lines of McDermott, CB&I or any of their respective subsidiaries if such action, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect (as defined in the Business Combination Agreement) on the business, assets, results of operations or financial condition of McDermott, CB&I and their respective subsidiaries, taken as a whole. If requested by McDermott, CB&I will agree to take any action necessary to facilitate the closing, provided that the consummation of any divestiture or the effectiveness of any other remedy is



conditioned on the

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consummation of the Combination. McDermott also has the obligation to defend any lawsuits or other legal proceedings, whether judicial or administrative, challenging the Business Combination Agreement or the consummation of the transactions contemplated by the Business Combination Agreement. If the Combination has not occurred on or before the Termination Date due to the failure to obtain regulatory clearances, or if an order, decree or ruling in the United States, the Republic of Panama, Russia or the Netherlands permanently prohibits the Exchange Offer or any of the Core Transactions, the Business Combination Agreement may be terminated. See The Business Combination Agreement Filings for more information.

There can be no assurance that the Combination will not be challenged on antitrust or competition grounds or, if a challenge is made, what the outcome would be. The Antitrust Division, the FTC, any U.S. state and other applicable U.S. or non-U.S. regulatory bodies may challenge the Combination on antitrust or competition grounds at any time, including after the termination of the waiting period under the HSR Act or other applicable process, as they may deem necessary or desirable or in the public interest. Accordingly, at any time before or after the completion of the Combination, any such party could take action under the antitrust laws, including, without limitation, by seeking to enjoin the effective time of the Combination or permitting completion subject to regulatory concessions or conditions. Private parties may also seek to take legal action under antitrust or competition laws under certain circumstances.

***Other Regulatory Procedures***

The Combination may be subject to various regulatory requirements of other municipal, state and federal, domestic or foreign governmental agencies and authorities, including those relating to the offer and sale of securities. McDermott and CB&I are currently working to evaluate and comply in all material respects with these requirements, as appropriate, and do not currently anticipate that they will hinder, delay or restrict completion of the Combination.

**Litigation Relating to the Combination**

In January and February 2018, four shareholders of CB&I have filed separate lawsuits under the federal securities laws in the United States District Court for the Southern District of Texas challenging the accuracy of the disclosures made in the registration statement to which this document forms a part in connection with the Combination. The cases are captioned (i) *McIntyre v. Chicago Bridge & Iron Company N.V., et al.*, Case No. 4:18-cv-00273 (S.D. Tex.) (the McIntyre Action ); (ii) *The George Leon Family Trust v. Chicago Bridge & Iron Company N.V., et al.*, Case No. 4:18-cv-00314 (S.D. Tex.) (the Leon Action ); (iii) *Maresh v. Chicago Bridge & Iron Company N.V., et al.*, Case No. 4:18-cv-00498 (S.D. Tex.) (the Maresh Action ); and (iv) *Patel v. Chicago Bridge & Iron Co. N.V., et al.*, Case No. 4:18-cv-00550 (S.D. Tex.) (the Patel Action ). The McIntyre Action, Leon Action and Maresh Action are asserted on behalf of putative classes of CB&I's public shareholders, while the Patel Action is brought only on behalf of the named plaintiff.

All four actions allege violations of Section 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder based on various alleged omissions of material information from the registration statement to which this document forms a part. The McIntyre Action names as defendants CB&I, each of CB&I's directors, individually, and certain current and former CB&I officers and employees individually. It seeks to enjoin the Combination, an award of costs and attorneys' and expert fees, and damages. On February 7, 2018, the plaintiff in the McIntyre Action filed a motion for preliminary injunction seeking to enjoin CB&I from consummating the Combination. The Leon Action names as defendants CB&I, certain subsidiaries of CB&I and McDermott that are parties to the Business Combination Agreement, each of CB&I's directors, individually, and McDermott as an alleged control person of CB&I. The Leon Action seeks to enjoin the Combination (or, in the alternative, rescission or an award for rescissory damages in the event the Combination is completed), to compel CB&I to issue revised disclosure, and an award of costs and attorneys' and expert fees. The Maresh Action, which was originally filed in Delaware and voluntarily dismissed without

prejudice on February 13, 2018, was re-filed in Texas and currently names as defendants CB&I and each of CB&I's directors, individually (it previously also

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named certain current and former CB&I officers and employees, individually). Although originally filed as an individual action, the Maresh Action was refiled as a putative class action in an amended complaint filed on February 26, 2018. The Maresh Action seeks to enjoin the Combination (or, in the alternative, an award for rescissory damages in the event the Combination is completed) and an award of costs and attorneys' and expert fees. The Patel Action names as defendants CB&I and each of CB&I's directors, individually. The Patel Action seeks to enjoin the Combination (or, in the alternative, an award for rescissory damages in the event the Combination is completed) and an award of costs and attorneys' and expert fees.

On February 23, 2018, CB&I moved for consolidation of the four pending shareholder actions, an order requiring plaintiffs and their counsel to coordinate their efforts, and for appointment of a preliminary lead plaintiff and lead counsel in the putative class actions. On February 26, 2018, the plaintiff in the Maresh Action moved for consolidation of the four pending shareholder actions and for appointment of Maresh as interim lead plaintiff and the law firm of Levi & Korsinsky LLP as lead counsel; on March 1, 2018, that motion was withdrawn. On February 28, 2018, the plaintiff in the Leon Action also moved for consolidation of the four pending shareholder actions and for appointment of Leon as interim lead plaintiff and the law firm of Rigrodsky & Long, P.A. as lead counsel.

**Appraisal Rights**

Neither CB&I shareholders nor CB&I Newco shareholders are entitled under Dutch law or otherwise to appraisal or dissenters' rights related to the CB&I Common Stock or CB&I Newco Common Stock in connection with the Exchange Offer or the Core Transactions.

McDermott stockholders are not entitled to appraisal or dissenters' rights with respect to any of the matters to be considered and voted on at the McDermott Special Meeting.

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**THE BUSINESS COMBINATION AGREEMENT**

*The following describes the material provisions of the Business Combination Agreement but does not purport to describe all of the terms of the Business Combination Agreement. The following summary may not contain all of the information about the Business Combination Agreement that is important to you and is qualified in its entirety by reference to the complete text of the Business Combination Agreement, which is attached as Annex A to this document and incorporated herein by reference. McDermott, McDermott Bidco, CB&I and CB&I Newco urge you to read the full text of the Business Combination Agreement before making any decisions regarding the Combination because it is the legal document that governs the Combination.*

**Representations, Warranties and Covenants in the Business Combination Agreement Are Not Intended to Function or Be Relied Upon as Public Disclosures**

In reviewing the Business Combination Agreement, please remember that it is included to provide you with information regarding its terms and neither the Business Combination Agreement nor the summary of its material terms included in this section is intended to provide any factual information about McDermott, McDermott Bidco, CB&I, CB&I Newco or any of their respective subsidiaries or affiliates. The Business Combination Agreement contains representations and warranties by each of the parties to the Business Combination Agreement. These representations and warranties have been made solely for the benefit of the other parties to the Business Combination Agreement and:

may be intended not as statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;

have been qualified by certain disclosures that were made to the other party in connection with the negotiation of the Business Combination Agreement, which disclosures are not reflected in the Business Combination Agreement; and

may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors.

Moreover, information concerning the subject matter of the representations and warranties, which does not purport to be accurate as of the date of this document, may have changed since the date of the Business Combination Agreement, and subsequent developments or new information qualifying a representation or warranty may have been included in or incorporated by reference into this document.

For the foregoing reasons, the representations, warranties and covenants or any descriptions of those provisions should not be read alone or relied upon as characterizations of the actual state of facts or condition of McDermott, McDermott Bidco, CB&I, CB&I Newco or any of their respective subsidiaries or affiliates at the time they were made or otherwise. Instead, such provisions or descriptions should be read only in conjunction with the other information provided elsewhere in or incorporated by reference into this document, as described in the section titled **Where You Can Find More Information**.

**The Combination**

Pursuant to the Business Combination Agreement, which was entered into on December 18, 2017, McDermott and CB&I have agreed to combine their businesses through the Exchange Offer followed by a series of transactions (and subject to the terms and conditions of the Business Combination Agreement). The Business Combination Agreement also provides for McDermott to make the Exchange Offer. Accordingly, under the Business Combination Agreement, and subject to the terms and conditions of the Business Combination Agreement, the Combination will occur as follows:

McDermott Bidco will launch the Exchange Offer, which is an offer to exchange any and all issued and outstanding shares of CB&I Common Stock for shares of McDermott Common Stock, with the completion of the Exchange Offer to occur prior to the Merger Effective Time;

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McDermott Technology (2), B.V., McDermott Technology (3), B.V., McDermott Technology (Americas), LLC and McDermott Technology (US), LLC will complete the CB&I Technology Acquisition, pursuant to which they will acquire for cash the equity of certain CB&I subsidiaries that own CB&I's technology business, no later than immediately prior to the Exchange Offer Effective Time;

McDermott Bidco will complete the Exchange Offer;

CB&I, CB&I Newco and CB&I Newco Sub will complete the Merger, pursuant to which CB&I will merge with and into CB&I Newco Sub, with: (1) CB&I Newco Sub continuing as a wholly owned subsidiary of CB&I Newco; (2) CB&I shareholders that do not validly tender in (or who properly withdraw their shares of CB&I Common Stock from) the Exchange Offer becoming shareholders of CB&I Newco as a result of their shares being exchanged for shares of CB&I Newco; and (3) McDermott Bidco becoming a shareholder of CB&I Newco, as a result of any shares it will have accepted for exchange in the Exchange Offer being exchanged for shares of CB&I Newco;

McDermott Bidco and CB&I Newco will complete the Share Sale, as a result of which CB&I Newco Sub will become an indirect wholly owned subsidiary of McDermott through the sale of all of the outstanding shares in the capital of CB&I Newco Sub to McDermott Bidco in exchange for the Exchangeable Note; and

CB&I Newco will complete the Liquidation, pursuant to which it will be dissolved and liquidated, and as a result of which former CB&I shareholders who do not validly tender in (or who properly withdraw their shares of CB&I Common Stock from) the Exchange Offer and, as a result of the Merger, become CB&I Newco shareholders, will be entitled to receive, in respect of each former share of CB&I Common Stock, upon completion of the Liquidation, 2.47221 shares of McDermott ( McDermott Common Stock, or, if the McDermott Reverse Stock Split (as defined below) has occurred prior to the date on which the Exchange Offer Effective Time (as defined below) occurs, 0.82407 shares of McDermott Common Stock, together with cash in lieu of fractional shares. The consideration per share of CB&I Common Stock to be received pursuant to the Core Transactions is the same as the Exchange Offer Ratio, except that the receipt of shares of McDermott Common Stock and cash in lieu of fractional shares pursuant to the Liquidation generally will be subject to Dutch Dividend Withholding Tax (see the sections entitled McDermott Common Stock Sale to Satisfy Dutch Dividend Withholding Tax Obligations and Material Tax Consequences of the Combination Dutch Dividend Withholding Tax for more information).

The Core Transactions consist of the CB&I Technology Acquisition, the Merger, the Share Sale and the Liquidation. The Combination consists of the Exchange Offer and the Core Transactions. Each step of the Combination is intended to be completed substantially concurrently, provided that the Liquidation Distribution will occur on the Closing Date (as defined herein) or as soon as practicable thereafter.

**Effective Time; Closing Date**

We refer to the time at which McDermott Bidco accepts all shares of CB&I Common Stock validly tendered and not withdrawn in the Exchange Offer as the Exchange Offer Effective Time. We refer to the date of the closing of the Combination, other than any aspect of the Liquidation that under applicable law or pursuant to the Business Combination Agreement is to occur at a later time, as the Closing Date.

The Exchange Offer Effective Time is expected to occur promptly after the satisfaction of the closing conditions specified in the Business Combination Agreement.

Promptly following the Exchange Offer Effective Time, in order to ensure that the Merger becomes effective at midnight Amsterdam time (being either 6:00 p.m., New York City time, or 7:00 p.m., New York City time), on the date the Exchange Offer Effective Time occurs, the Merger will be effectuated. The Share Sale will become



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effective promptly after the Merger Effective Time (as defined below), and the Liquidation will become effective promptly after the Share Sale Effective Time (as defined below).

The CB&I Technology Acquisition will become effective at the time that McDermott and CB&I agree, which will be no later than immediately prior to the Exchange Offer Effective Time.

We cannot assure you when, or if, all the conditions to completion of the Combination will be satisfied or, where permissible, waived. See Conditions to the Combination. The parties intend to complete the Combination as promptly as practicable, subject to receipt of the CB&I Shareholder Approval, the McDermott Stockholder Approval and the satisfaction of the other conditions to completion.

## **CB&I Technology Acquisition**

In the CB&I Technology Acquisition, McDermott Technology (2), B.V. and McDermott Technology (3), B.V. intend to acquire for cash, no later than immediately prior to the Exchange Offer Effective Time, certain subsidiaries (as specified in the Business Combination Agreement) of CB&I Oil & Gas Europe B.V., CB&I Group UK Holdings and CB&I Nederland B.V., and each of McDermott Technology (Americas), LLC and McDermott Technology (US), LLC intends to acquire for cash 50% of certain subsidiaries (as specified in the Business Combination Agreement) from The Shaw Group, Inc. Together, these entities operate CB&I's technology business (primarily consisting of CB&I's former Technology reportable segment and its Engineered Products Operations, representing a portion of its Fabrication Services reportable segment). The cash proceeds to be paid by such McDermott entities pursuant to the CB&I Technology Acquisition, in the aggregate amount of \$2.65 billion, will be used to fund the repayment of all the outstanding funded indebtedness of CB&I and its subsidiaries and to provide for future working capital needs of those entities (or their successors).

The CB&I Technology Acquisition is expected to close no later than immediately prior to the Exchange Offer Effective Time.

## **The Exchange Offer**

### ***Consideration Offered to CB&I Shareholders***

On the terms and subject to the conditions of the Business Combination Agreement, McDermott Bidco will offer to exchange each issued and outstanding share of CB&I Common Stock validly tendered and not properly withdrawn pursuant to the Exchange Offer for the right to receive 2.47221 shares of McDermott Common Stock or, if the McDermott Reverse Stock Split has occurred prior to the Exchange Offer Effective Time, 0.82407 shares of McDermott Common Stock. The Exchange Offer Ratio will not be adjusted to reflect changes in the trading prices of McDermott Common Stock or CB&I Common Stock prior to the date of the completion of the Exchange Offer.

### ***Commencement and Expiration of the Exchange Offer***

In accordance with the Business Combination Agreement, McDermott Bidco will commence the Exchange Offer promptly after the filing of the Registration Statement on Form S-4 of which this document forms a part. The Exchange Offer will expire at 4:00 p.m., Eastern time, on the date that is 21 business days following the date that the Exchange Offer is commenced, subject to extension as described below (such time, or such later time to which the Exchange Offer has been so extended, is referred to as the Exchange Offer Expiration Time).

### ***Acceptance of CB&I Common Stock in the Exchange Offer***

The obligation of McDermott Bidco to accept for exchange, and the obligation of McDermott to issue shares of McDermott Common Stock to McDermott Bidco to offer in exchange for, any shares of CB&I Common Stock validly tendered and not properly withdrawn pursuant to the Exchange Offer will be subject only to the

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satisfaction (or waiver) of the closing conditions set forth below under the heading Conditions to the Combination. McDermott Bidco will not accept shares of CB&I Common Stock in the Exchange Offer without seeking to complete the Core Transactions promptly thereafter in accordance with the Business Combination Agreement. If McDermott Bidco accepts shares of CB&I Common Stock in the Exchange Offer in accordance with the terms of the Business Combination Agreement, then the McDermott Parties (as defined below) and the CB&I Parties (as defined below) will complete the actions contemplated by the Business Combination Agreement with respect to the Core Transactions on the Closing Date, provided that the Liquidation Distribution will occur on the Closing Date or as soon as practicable thereafter.

***Extension of the Exchange Offer***

McDermott Bidco may extend the Exchange Offer to such other date and time as may be agreed in writing by McDermott and CB&I, and McDermott Bidco will extend the Exchange Offer for any minimum period as may be required by the SEC or the NYSE. McDermott Bidco will also extend the Exchange Offer on one or more occasions if, at the then-scheduled Exchange Offer Expiration Time, any condition to the Exchange Offer has not been satisfied or waived. McDermott Bidco is not required to extend the Exchange Offer beyond the Termination Date.

***No Fractional Shares***

McDermott Bidco will only deliver whole shares of McDermott Common Stock in the Exchange Offer (the Exchange Offer Consideration). To the extent a CB&I shareholder otherwise would be entitled to a fractional share of McDermott Common Stock as a result of the application of the Exchange Offer Ratio, such shareholder will instead receive an amount in cash equal to the product of the fractional share of McDermott Common Stock such shareholder otherwise would be entitled to receive and the closing price for a share of McDermott Common Stock on the business day immediately preceding the Closing Date.

**The Merger**

CB&I will prepare, and prior to February 1, 2018, file all documents and make all announcements required to effectuate the Merger. Not earlier than one month after all requisite filings and announcements have been made and not later than the date of the CB&I Special General Meeting, CB&I, CB&I Newco and CB&I Newco Sub will adopt resolutions to enter into and effectuate the Merger (other than the Merger Resolution to be adopted at the CB&I Special General Meeting).

***Consideration Offered to CB&I Shareholders***

Promptly following the Exchange Offer Effective Time, CB&I, as the disappearing company, will merge with and into CB&I Newco Sub in a legal triangular merger (*juridische driehoeksfusie*), resulting in each holder of outstanding shares of CB&I Common Stock holding a number of shares in the capital of CB&I Newco equal to the number of shares of CB&I Common Stock held by such holder of shares of CB&I Common Stock immediately prior to the completion of the Merger (the Merger Consideration).

***Effective Time; Closing***

CB&I and its applicable subsidiaries will effectuate the Merger promptly following the Exchange Offer Effective Time, in order to ensure that the Merger becomes effective at midnight Amsterdam time (being either 6:00 p.m., New York City time, or 7:00 p.m., New York City time), on the date the Exchange Offer Effective Time occurs. We refer to the effective time of the Merger as the Merger Effective Time.

**The Share Sale**

Pursuant to the Business Combination Agreement, promptly after the CB&I Shareholder Approval and the McDermott Stockholder Approval are obtained, McDermott Bidco and CB&I Newco will enter into a Share Sale

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and Purchase Agreement (the *Share Sale Agreement* ). Pursuant to the *Share Sale Agreement*, immediately following the Merger Effective Time, CB&I Newco will transfer all of the issued and outstanding shares in the capital of CB&I Newco Sub (the surviving entity in the Merger) to McDermott Bidco in exchange for the Exchangeable Note (described in more detail below). In connection therewith, immediately following the Merger Effective Time, McDermott Bidco, CB&I Newco and CB&I Newco Sub will enter into a notarial deed of transfer of shares pursuant to which all issued and outstanding shares in the capital of CB&I Newco Sub will be transferred by CB&I Newco to McDermott Bidco or its designated nominee at such time and such transfer will be acknowledged by CB&I Newco Sub. We refer to the effective time of such execution and acknowledgement as the *Share Sale Effective Time*.

**Pre-Liquidation Transactions*****Exchangeable Note Split***

Pursuant to the terms of the Exchangeable Note, immediately following the *Share Sale Effective Time*, the Exchangeable Note will automatically be split into two notes, one of which will be the *McDermott Component Note* and the other of which will be the *Legacy CB&I Component Note* (the *Exchangeable Note Split* ). The *Legacy CB&I Component Note* will entitle the holder(s) thereof to receive a number of shares of McDermott Common Stock equal to the product of the Exchangeable Note principal amount multiplied by the percentage of outstanding shares of CB&I Newco Common Stock owned at such time by persons that are not affiliates of McDermott ( *CB&I Newco Public Shareholders* ). As soon as McDermott or any of its subsidiaries (other than CB&I Newco) becomes the holder of the *McDermott Component Note*, the *McDermott Component Note* will immediately terminate and any rights thereunder will be extinguished and no longer due.

***Deposit and Exchange***

Immediately following the *Exchangeable Note Split*, CB&I Newco will deposit the *Legacy CB&I Component Note* with the Exchange Agent (as defined below). Upon receipt by the Exchange Agent, the *Legacy CB&I Component Note* will automatically and mandatorily be exchanged into a number of shares of McDermott Common Stock equal to the product of the Exchange Offer Ratio and the number of shares of CB&I Newco owned at such time by the *CB&I Newco Public Shareholders* (the *Mandatory Exchange* ). Prior to the execution of the Exchangeable Note, McDermott will have deposited with the Exchange Agent (as defined below) a number of shares of McDermott Common Stock sufficient to permit the completion of the *Mandatory Exchange*. Upon completion of the *Mandatory Exchange*, the *Legacy CB&I Component Note* will be deemed fully paid and the indebtedness represented by the Exchangeable Note will be deemed fully satisfied.

***McDermott Common Stock Sale to Satisfy Dutch Dividend Withholding Tax Obligations***

Pursuant to the terms of the Exchangeable Note, CB&I Newco will cause the Exchange Agent to sell (the *McDermott Common Stock Sale* ), in one or more transactions for the benefit of the *CB&I Newco Public Shareholders*, shares of McDermott Common Stock that the *CB&I Newco Public Shareholders* would otherwise be entitled to receive in order to obtain sufficient net cash proceeds to satisfy any Dutch Dividend Withholding Tax in connection with the *Liquidation Distribution*. Dutch dividend withholding tax will be due at a rate of 15% to the extent the *Liquidation Distribution* exceeds the recognized paid-up capital for Dutch dividend withholding tax purposes of the shares of CB&I Newco Common Stock. In the event that the cash proceeds obtained by the Exchange Agent in the *McDermott Common Stock Sale* exceed the required applicable withholding by more than a *de minimis* amount, those surplus cash proceeds will be distributed, net of applicable Dutch Dividend Withholding Tax, to the *CB&I Newco Public Shareholders* on a pro rata basis, along with any cash payable in lieu of fractional shares. McDermott will be entitled to retain any *de minimis* surplus cash proceeds.

CB&I has agreed that, as soon as reasonably practicable, it will (and will cause CB&I Newco to) prepare and file with the Netherlands tax authority (the NTA ) a request to obtain the NTA s confirmation in form and

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substance reasonably acceptable to McDermott of: (1) the amount of recognized paid-up capital for Dutch Dividend Withholding Tax purposes for CB&I and CB&I Newco prior to the Merger Effective Time; and (2) the amount of Dutch dividend withholding tax to be withheld from the Liquidation Distribution.

### ***Fractional Shares***

No fractional shares of McDermott Common Stock will be issued to CB&I Newco Public Shareholders in the Liquidation Distribution. The Exchange Agent will aggregate all fractional shares of McDermott Common Stock that the CB&I Newco Public Shareholders would otherwise be entitled to receive and sell them in transactions for the benefit of such shareholders. Each CB&I Newco Public Shareholder that would otherwise be entitled to a fractional share of McDermott Common Stock (after aggregating all shares of CB&I Newco of which such shareholder is a record holder) will be paid an amount in cash, rounded down to the nearest whole cent, based on the average price per share received by the Exchange Agent in the McDermott Common Stock Sale. McDermott will be entitled to receive any remaining proceeds of the sale of fractional shares after payment of such proceeds to the CB&I Newco Public Shareholder and any applicable withholding tax.

### **The Liquidation**

As soon as practicable after the Share Sale Effective Time, CB&I Newco will be dissolved (*ontbonden*) and subsequently liquidated (*vereffend*) in accordance with Section 2:19 and 2:23b of the Dutch Civil Code, with Stichting Vereffening Chicago Bridge & Iron Company acting as CB&I Newco's liquidator (the Liquidator), or the Exchange Agent on its behalf, making one or more liquidating distributions (the Liquidation Distribution) (which may be an advance Liquidation Distribution (*uitkering bij voorbaat*)). As a result of the Liquidation Distribution:

each CB&I Newco Public Shareholder will receive a number of shares of McDermott Common Stock equal to (1) the product of (a) the Exchange Offer Ratio and (b) the number of shares of CB&I Newco held by such shareholder at such time (with cash paid in lieu of any fractional shares of McDermott Common Stock as described above) minus (2) the number of shares of McDermott Common Stock sold pursuant to the McDermott Common Stock Sale, if any, in respect of any applicable Dutch Dividend Withholding Tax of such CB&I Newco Public Shareholder; and

McDermott Bidco and any other shareholder that is a subsidiary of McDermott (other than CB&I Newco) will receive a portion of the McDermott Component Note, which will immediately terminate upon receipt, with any rights thereunder extinguished and no longer due.

In connection with the Liquidation Distribution, the Exchange Agent will pay to the relevant Dutch tax authority the net cash proceeds from the McDermott Common Stock Sale in satisfaction of CB&I Newco's obligation to remit Dutch Dividend Withholding Tax in respect of the Liquidation Distribution.

The structure charts below highlight the structure and effect of the Share Sale and Liquidation.

Although it is intended that the Liquidator will make one single advance liquidation payment to each CB&I Newco shareholder, the Liquidator may delay part of the payment as a result of unforeseen circumstances. No compensation will be paid to CB&I Newco shareholders for any administrative costs charged by banks in relation to the transfer of the Liquidation Distribution to their bank account or otherwise.

Each CB&I Newco Public Shareholder that receives shares of McDermott Common Stock pursuant to the Liquidation Distribution and cash in lieu of fractional shares (subject to applicable withholding taxes, including the Dutch Dividend Withholding Tax) will have no further right to receive cash, shares of McDermott Common Stock or any other consideration in respect of the Exchangeable Note.

**Any applicable withholding taxes, including the Dutch Dividend Withholding Tax, imposed on non-tendering CB&I shareholders (who, as a result of the Merger, become CB&I Newco shareholders) in**



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**respect of the Liquidation Distribution may be significantly greater than the taxes that would be imposed upon such shareholders had they tendered their shares of CB&I Common Stock pursuant to the Exchange Offer. See Material Tax Consequences of the Combination.**

Once the final Liquidation Distribution has occurred, CB&I Newco will cease to exist by operation of law.

### **Exchange Agent; Exchange Fund**

McDermott has appointed Computershare Trust Company, N.A. as the exchange agent (the *Exchange Agent*) for the purpose of: (1) exchanging the Exchange Offer Consideration and cash in lieu of any fractional shares of McDermott Common Stock for shares of CB&I Common Stock accepted for exchange by McDermott Bidco in the Exchange Offer; (2) allotting the Merger Consideration to each holder of shares of CB&I Common Stock at the time of the Merger in accordance with the Business Combination Agreement; and (3) giving effect to the Liquidation Distribution by the Liquidator. At or promptly following the Exchange Offer Effective Time, McDermott Bidco will deposit, with the Exchange Agent, a number of shares of McDermott Common Stock that are deliverable in respect of: (1) all of the shares of CB&I Common Stock accepted for exchange by McDermott Bidco and the amount of cash required to be paid in lieu of any fractional shares in the Exchange Offer; and (2) all of the shares of CB&I Newco entitled to receive shares of McDermott Common Stock in the Liquidation Distribution (collectively the *Exchange Fund*).

Any portion of the Exchange Fund that remains unclaimed by the holders of shares of CB&I Common Stock accepted for exchange by McDermott Bidco 12 months after the Exchange Offer Effective Time will be returned to McDermott Bidco, upon demand. Holders of shares of CB&I Common Stock who have not exchanged such shares prior to that time may thereafter look only to McDermott Bidco (subject to abandoned property, escheat, or other similar laws) for payment of the Exchange Offer Consideration and, if applicable, any cash in lieu of fractional shares of McDermott Common Stock. McDermott Bidco will not be liable to any holder of shares of CB&I Common Stock for any amounts paid to a public official pursuant to applicable abandoned property, escheat, or similar laws.

Any shares of McDermott Common Stock and any cash made available to the Exchange Agent by McDermott Bidco for payment in lieu of fractional shares of McDermott Common Stock remaining unclaimed by holders of shares of CB&I Common Stock two years after the Exchange Offer Effective Time (or any earlier date when the amounts would otherwise escheat to or become property of any governmental entity) will become, to the extent permitted by applicable law, the property of McDermott Bidco.

As stated above, the Exchange Agent will deduct and withhold from the Liquidation Distribution the amounts that may be required to be withheld to satisfy any applicable withholding taxes, including the Dutch Dividend Withholding Tax.

### **Treatment of Equity Awards**

#### ***CB&I Options***

At the Merger Effective Time, all outstanding unexercised CB&I Options will immediately vest and be converted into options to purchase shares of McDermott Common Stock with the duration and terms of such converted options to remain generally the same as the original CB&I Options. The number of shares of McDermott Common Stock subject to each converted option will be determined by multiplying the number of shares of CB&I Common Stock subject to the original CB&I Option by the Exchange Offer Ratio, rounded down to the nearest whole share. The option exercise price per share of McDermott Common Stock will be equal to the option exercise price per share of CB&I Common Stock under the original CB&I Option divided by the Exchange Offer Ratio, rounded up to the nearest whole cent.



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**Table of Contents*****CB&I Performance Share Awards***

At the Merger Effective Time, each outstanding CB&I Performance Share Award will be canceled and converted into the right to receive cash, without interest and less applicable withholding taxes, in an amount equal to (1) the product of (a) the Exchange Offer Ratio, (b) the target number of shares of CB&I Common Stock subject to the CB&I Performance Share Award and (c) the closing price for a share of McDermott Common Stock on the business day immediately preceding the Closing Date plus (2) an amount equal to any dividend equivalents associated with the CB&I Performance Share Award at that time.

***CB&I Restricted Stock Units and Other Stock-Based Awards***

At the Merger Effective Time: (1) each outstanding CB&I Restricted Stock Unit Award that is held by a non-employee member of the CB&I Supervisory Board (whether or not vested); (2) each vested CB&I Restricted Stock Unit Award held by a member of a specific group of executive officers of CB&I that has not been settled; (3) each CB&I Restricted Stock Unit Award that vests in accordance with its terms as result of the Combination; and (4) each vested share of CB&I Common Stock deferred pursuant to any CB&I equity compensation plan, will, in each case, be converted into a right to receive (a) a number of shares of McDermott Common Stock equal to the product of (i) the number of shares of CB&I Common Stock subject to the original CB&I award and (ii) the Exchange Offer Ratio, rounded to the nearest whole number of shares, plus (b) cash in an amount equal to any dividend equivalents associated with the CB&I Restricted Stock Unit Award at that time, subject to applicable withholding taxes.

At the Merger Effective Time, each other outstanding CB&I Restricted Stock Unit Award will be converted into a right to receive an award of restricted stock units that will be settled in McDermott Common Stock with substantially the same terms as the original CB&I award, including the vesting schedule and any conditions and restrictions on receipt. The number of shares of McDermott Common Stock subject to the converted restricted stock unit award will be determined by multiplying the number of shares of CB&I Common Stock subject to the original CB&I Restricted Stock Unit Award by the Exchange Offer Ratio, rounded to the nearest whole number of shares. The transactions contemplated by the Business Combination Agreement will not be considered a change in control for purposes of any award of CB&I Restricted Stock Unit granted on or after December 18, 2017.

***Adjustments to Assumed Award Terms***

Each converted equity award will, in accordance with its terms, be subject to further adjustment as appropriate to reflect any stock split, reclassification, recapitalization or other similar transaction of McDermott Common Stock subsequent to the Merger Effective Time.

***Assumed CB&I Equity Compensation Plans***

At the Merger Effective Time, McDermott will assume the CB&I equity compensation plans and thereafter be entitled to grant equity or equity-based incentive awards with respect to McDermott Common Stock using the share reserves of the CB&I equity compensation plans as of the Merger Effective Time (including any shares of McDermott Common Stock returned to such share reserves as a result of the termination or forfeiture of an assumed award granted), except that: (1) shares covered by such awards will be shares of McDermott Common Stock; (2) all references in such CB&I stock plan to a number of shares will be deemed amended to refer instead to that number of shares of McDermott Common Stock (rounded down to the nearest whole share) as adjusted pursuant to the application of the Exchange Offer Ratio; and (3) the McDermott Board or a committee thereof will succeed to the authority and responsibility of the CB&I Boards or any applicable committee thereof with respect to the administration of such CB&I equity compensation plans.



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### ***CB&I Stock Purchase Plans***

CB&I's Employee Stock Purchase Plan and Supervisory Board Stock Purchase Plan were suspended effective January 1, 2018, and such plans will be terminated effective as of, and contingent upon, the Merger Effective Time.

### **No Appraisal Rights**

Neither CB&I shareholders nor CB&I Newco shareholders are entitled under Dutch law or otherwise to appraisal or dissenters' rights related to the CB&I Common Stock or CB&I Newco Common Stock in connection with the Exchange Offer or the Core Transactions.

McDermott stockholders are not entitled to appraisal or dissenters' rights with respect to any of the matters to be considered and voted on at the McDermott Special Meeting.

### **Representations and Warranties**

The Business Combination Agreement contains representations and warranties made by each of the parties regarding aspects of their respective businesses, financial condition and structure, as well as other facts pertinent to the Combination. CB&I, CB&I Newco, CB&I Newco Sub, CB&I Oil & Gas Europe B.V., CB&I Group UK Holdings, CB&I Nederland B.V. and The Shaw Group, Inc. (collectively, the "CB&I Parties"), on the one hand, and McDermott, McDermott Bidco, McDermott Technology (Americas), LLC and McDermott Technology (US), LLC (collectively, the "McDermott Parties"), on the other hand, have made various representations and warranties in the Business Combination Agreement, which are substantially reciprocal, to each other with respect to the following subject matters:

existence, good standing and qualification to conduct business;

requisite power and authorization to enter into and carry out the obligations of the Business Combination Agreement and the enforceability of the Business Combination Agreement;

capitalization;

compliance with applicable laws and permits;

absence of any conflict or violation of organizational documents, third-party agreements or laws as a result of the Combination or the Business Combination Agreement;

filings and reports with the SEC and financial information;

compliance with the Sarbanes-Oxley Act of 2002 and the applicable listing and corporate governance rules and regulations of the NYSE;

accuracy of information supplied for inclusion or incorporation by reference in this document;

litigation;

absence of a material adverse effect;

tax matters;

employee benefit plans;

labor matters;

title to and interest in real properties;

environmental matters;

rights to intellectual property and information technology;

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maintenance of customary insurance;

fees payable to brokers, finders or investment banks in connection with the Combination;

opinions of financial advisors;

required stockholder or shareholder, as applicable, approvals in connection with the Combination;

material contracts;

compliance with export controls and trade sanctions;

compliance with the Foreign Corrupt Practices Act and other anticorruption and antibribery laws; and

inapplicability of anti-takeover laws or certain provisions in such entity's Organizational Documents. The McDermott Parties have made additional representations and warranties to the CB&I Parties in the Business Combination Agreement with respect to the following subject matters:

the status of McDermott Bidco; and

the availability of sufficient Financing Commitments to fund the transactions contemplated by the Business Combination Agreement.

Certain representations and warranties of the CB&I Parties and McDermott are qualified as to materiality or as to material adverse effect, which, when used with respect to any person, means a material adverse effect on or material adverse change in the business, properties, financial condition or results of operations of such person and its subsidiaries, taken as a whole, other than any effect or change relating to or resulting from:

changes in global, national or regional political conditions (including the outbreak of war or acts of terrorism) or in economic or market conditions (including securities markets, credit markets, currency markets and other financial markets) in any country;\*

changes or conditions generally affecting the industries in which the person operates;\*

(1) a change in the trading price of the person's common stock, any suspension of trading in the person's common stock, any ratings downgrade or change in ratings outlook for the person or any of its subsidiaries, or (2) the failure of the person to meet public projections, estimates or expectations of the person's revenue, earnings or other financial performance or results of operations for any period, or any failure by the person to meet any internal budgets, plans or forecasts of its revenues, earnings or other financial performance or results of operations; provided that, in the case of both clause (1) and (2), the underlying causes of those failures may be taken into account unless that underlying cause would otherwise be excluded from the determination of whether a material adverse effect has occurred;

the announcement or the existence of, or compliance with, or taking any action required or permitted by the Business Combination Agreement or the transactions contemplated by the Business Combination Agreement or any litigation against a party and/or its directors or officers relating to the transactions contemplated by the Business Combination Agreement;

taking any action by such person at the written request of the McDermott Parties, in the case of the CB&I Parties, or of the CB&I Parties, in the case of the McDermott Parties;

any weather-related or other force majeure event;\*

changes after the date of the Business Combination Agreement in GAAP or any official interpretation or enforcement thereof; or

changes after the date of Business Combination Agreement in laws or any official interpretation or enforcement thereof by governmental entities;



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provided that, in the case of the three bullets marked with an asterisk above, to the extent that the effects of such change are disproportionately adverse to the business, properties, financial condition or results of operations of such party, taken as a whole, as compared to other companies in the industries in which the party and its subsidiaries operate, only the incremental disproportionate impact may be taken into account in determining whether there has been a material adverse effect.

**Conduct of Business Pending the Exchange Offer Effective Time**

Each of McDermott and CB&I has agreed as to itself and its respective subsidiaries that, prior to the Exchange Offer Effective Time, unless the other party consents in writing (which consent may not be unreasonably withheld, conditioned or delayed) or as otherwise contemplated by the Business Combination Agreement or required by applicable law, it and its subsidiaries will:

conduct its business in the ordinary course;

use commercially reasonable efforts to preserve its business organization; and

use commercially reasonable efforts to maintain existing relationships and goodwill with governmental entities, customers and suppliers.

In addition, the Business Combination Agreement places specific restrictions on the ability of each of McDermott and CB&I and their respective subsidiaries to, unless the other party consents in writing (which consent may not be unreasonably withheld, conditioned or delayed) or as otherwise contemplated by the Business Combination Agreement or required by applicable law, among other things:

amend, adopt any change in, or waive any provision of, their organizational documents;

merge or consolidate with any other person, except transactions among wholly owned subsidiaries or in connection with permitted acquisitions;

adopt or implement a plan of complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization, except transactions among wholly owned subsidiaries;

issue, sell or pledge any shares of capital stock, options, warrants, convertible securities or any other equity interest, except pursuant to stock options, current employee benefit plans and existing debt requirements;

repurchase, redeem or otherwise acquire any securities or equity equivalents, except in the ordinary course of business in connection with the exercise of options or the settlement of awards to satisfy withholding or exercise price obligations pursuant to current employee benefit plans or in connection with a permitted grant;

declare, set aside or pay any dividend or other distribution or payment, except for dividends only to itself or its wholly owned subsidiaries, and dividends or distributions required under its organizational documents;

adjust, reclassify, split, combine, subdivide, repurchase, redeem or otherwise acquire any capital stock, equity interests or other securities, except transactions among wholly owned subsidiaries, or in the ordinary course of business in connection with the exercise of options or the settlement of awards to satisfy withholding or exercise price obligations pursuant to current employee benefit plans or in connection with a permitted grant;

purchase or otherwise acquire any of the capital stock of McDermott, in the case of CB&I, and CB&I, in the case of McDermott, or securities convertible or exchangeable into or exercisable for capital stock of McDermott, in the case of CB&I, and CB&I, in the case of McDermott;

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except to the extent required under a benefit plan existing on the date of the Business Combination Agreement or as required by law:

increase the compensation (including bonus opportunities) or fringe benefits of any directors, executive officers or employees, except in the ordinary course of business to employees who are not party to change-in-control agreements;

grant any severance or termination pay, other than nominal severance to terminated employees, except in the ordinary course of business consistent with past practice;

make new equity awards to any director, officer or employee, except in the ordinary course of business consistent with past practice, which equity awards:

in the case of McDermott, will provide that the consummation of the transactions contemplated by the Business Combination Agreement will not result in a change-in-control acceleration; and

in the case of CB&I, will grant time-based restricted stock units in lieu of performance shares and will provide that the consummation of the transactions contemplated by the Business Combination Agreement will not result in a change-in-control acceleration;

enter into or amend any employment, consulting, change-in-control or severance agreement with any director, executive officer or employee, except as contemplated by the Business Combination Agreement or, except with respect to employees party to a change-in-control agreement, in the ordinary course of business;

establish, adopt, enter into, freeze or amend in any material respect or terminate any benefit plan or take any action to accelerate entitlement to benefits under any benefit plan, except as contemplated by the Business Combination Agreement;

make any contribution to a benefit plan, except as required by applicable law or in the ordinary course of business consistent with past practice;

make payments on performance-based awards in excess of the performance actually achieved, or amend or waive performance or vesting criteria or accelerate vesting, except as required under the applicable plan or as contemplated by the Business Combination Agreement;

take any action with respect to salary, compensation, benefits or other terms and conditions of employment that would result in the holder of a change-in-control agreement having good reason to

terminate employment and collect severance payments and benefits pursuant to such agreement;

terminate the employment of any holder of a change-in-control agreement, other than for cause within the meaning of such change-in-control agreement; or

execute, establish, adopt or amend a collective bargaining agreement or similar contract or understanding with a labor union or similar labor organization, except in the ordinary course of business;

redeem, purchase or otherwise acquire any of its or its subsidiaries' stock, except for transactions pursuant to benefit plans and transactions between it and its wholly owned subsidiaries and transactions among its wholly owned subsidiaries;

sell, lease, encumber or dispose of any assets or properties having a value in excess of \$5 million for any one asset or property, or \$25 million in the aggregate, except for sales of surplus or obsolete equipment, inventory sales and intercompany transactions and, in the case of liens, to the extent required by any existing debt obligations;

acquire any business, entity or division for consideration in excess of \$25 million for any one acquisition or \$50 million in the aggregate;

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enter into a joint venture, partnership or other similar arrangement or make a loan, capital contribution or other investment in any other person in excess of \$25 million individually or \$50 million in the aggregate (in each case other than to or in itself, its wholly owned subsidiary or any current joint venture, partnership or other similar arrangement to the extent required under the current terms of such arrangement), other than in the ordinary course of business consistent with past practice;

other than in the ordinary course of business consistent with past practice, sell, transfer, license, amend or modify any rights to any of its or its subsidiaries' material intellectual property;

change its fiscal year or make material changes with respect to its financial accounting policies or procedures, except as required by changes in GAAP or applicable law;

except in the ordinary course of business consistent with past practice:

make or rescind any material election relating to taxes;

settle or compromise any material proceeding relating to taxes for an amount that materially exceeds the amount reserved, in accordance with GAAP, in the consolidated balance sheets publicly filed prior to the date of the Business Combination Agreement;

change any of its methods of reporting any material item for tax purposes;

change any annual tax accounting period;

surrender any right to claim any material tax refund; or

file any materially amended tax return;

settle or compromise any material claim, litigation or controversy for amounts in excess of \$50 million in the aggregate or providing for equitable relief, other than claims in respect of certain tax matters in accordance with the Business Combination Agreement or any claims of creditors, shareholders and any shareholder litigation relating to the Business Combination Agreement or any of the transactions contemplated by the Business Combination Agreement, or waive, release or assign rights to claims or provide security for amounts (net of any reasonably expected insurance or indemnification proceeds) in excess of \$50 million in the aggregate;

incur or guarantee any indebtedness, except for: (1) borrowings under its or its subsidiaries' existing credit facilities; (2) other debt not in excess of \$5 million in the aggregate; (3) intercompany debt in the ordinary course of business consistent with past practice; and (4) indebtedness incurred to pay repay or refinance other debt that comes due, provided that the aggregate principal amount of refinanced indebtedness is not increased as a result of such refinancing, other than in relation to any fees and expenses incurred in connection with such refinancing, and the refinancing indebtedness is pre-payable at the borrower's option without premium or penalty;

repurchase or repay any debt, except for revolving credit facilities and other lines of credit in the ordinary course of business or otherwise of due and payable amounts, mortgage indebtedness secured by real property assets in accordance with its terms, and for intercompany debt among itself and its wholly owned subsidiaries;

mortgage or encumber any material asset or property, other than in the ordinary course of business consistent with past practice or as required by lenders under the terms of its existing debt arrangements;

except for capital expenditures consistent in all material respects with the capital budget made available in its disclosure letter to the Business Combination Agreement, make any unbudgeted capital expenditures exceeding \$15 million in the aggregate;

enter into, materially amend or terminate material contracts, except in the ordinary course of business consistent with past practice or as otherwise permitted by the Business Combination Agreement;

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enter into, renew or extend any agreements that would reasonably be expected to, after the Exchange Offer Effective Time, restrict the ability of McDermott, in the case of CB&I, and CB&I, in the case of McDermott, to engage or compete in any line of business or geographic area;

release or permit the release of any person from, waive or permit the waiver of any right under, fail to enforce any provision, or grant any consent under, any confidentiality, standstill or similar agreement to which it or its subsidiaries is a party (unless not taking such actions would be inconsistent with the fiduciary duties of its Board(s) under applicable law);

take any action that would, or would reasonably be expected to, result in the failure of certain conditions to the consummation of the Combination or prevent, materially delay or materially impede the consummation of the Combination;

take any action that would reasonably be expected to delay materially or adversely affect the ability to obtain any consent, authorization, order or approval of any governmental entity or the expiration of any waiting period under antitrust laws; or

agree or commit to do any of the foregoing.

In addition, McDermott and CB&I have agreed that, following the execution and delivery of the Business Combination Agreement, McDermott and CB&I may take certain actions related to retention awards and incentive compensation as more fully described herein under **Interests of Certain Persons in the Combination**.

### **CB&I Special General Meeting**

CB&I is required to submit to its shareholders for approval, regardless of whether the CB&I Boards make a Change in Recommendation (as defined below), the CB&I Articles Amendment Resolution, the CB&I Merger Resolution, the CB&I Sale Resolutions, the CB&I Liquidation Resolutions and the CB&I Discharge Resolutions. CB&I may cancel and reconvene the CB&I Special General Meeting solely to the extent reasonably necessary to: (1) allow reasonable additional time for the filing and mailing of any supplemental or amended disclosure that the CB&I Boards have determined to be necessary after consultation with counsel; and (2) re-solicit proxies in favor of the matters submitted to vote if, as of such time, insufficient proxies have been received to approve such matters; however, CB&I will not be permitted to cancel or reconvene the CB&I Special General Meeting more than once without the consent of McDermott, and CB&I will, in no event, cancel and reconvene the CB&I Special General Meeting to a date that is more than 30 days after the original date scheduled for such meeting.

If the Merger is not consummated within six months after the announcement of the filing of the Merger Proposal, CB&I must take all required steps in order to have the merger resolution replaced by a new resolution of the CB&I Special General Meeting to enter into and effectuate a merger in accordance with the terms of the Merger Proposal.

### **McDermott Special Meeting**

McDermott is required to submit to its stockholders for approval the McDermott Revenue Stock Split Articles Amendment Resolution, the McDermott Authorized Capital Articles Amendment Resolution and the McDermott Stock Issuance, regardless of whether the McDermott Board makes a Change in Recommendation. Once the special

meeting has been called and noticed, McDermott will not be permitted to postpone or adjourn the McDermott Special Meeting without the consent of CB&I (which consent may not be unreasonably withheld, conditioned or delayed), other than to the extent necessary: (1) in the event of the absence of a quorum; (2) to solicit additional proxies if, on the date of the McDermott Special Meeting, McDermott has not received proxies representing a sufficient number of shares of McDermott Common Stock to obtain the McDermott Stockholder Approval; or (3) to allow reasonable additional time for the filing and mailing of any supplemental or amended disclosure that the McDermott Board has determined to be necessary after consultation with counsel.



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**No Solicitation**

Each of McDermott and CB&I will not, and will cause its and its subsidiaries officers, directors, employees, investment bankers, consultants, attorneys, accountants, advisors, agents and other representatives ( Representatives ) not to:

take any action to solicit, initiate or knowingly encourage or facilitate or engage in, continue, or otherwise participate in discussions or negotiations regarding, any inquiry, proposal or offer which constitutes or would be reasonably expected to lead to an Acquisition Proposal (as defined below);

furnish any nonpublic or confidential information or afford access to properties, books or records to any person in connection with or for the purpose of soliciting, encouraging or facilitating an Acquisition Proposal;

approve or recommend, or propose to approve or recommend, or execute or enter into any letter of intent, agreement in principle, merger agreement or other agreement relating to an Acquisition Proposal, other than confidentiality agreements in accordance with the Business Combination Agreement; and

propose publicly or agree to do anything described in the immediately preceding three bullets.

The term Acquisition Proposal means any *bona fide* written offer or proposal for, or any *bona fide* written indication of interest in, any: (1) direct or indirect acquisition or purchase of any business or assets of (a) CB&I or McDermott, as applicable, or any of its respective subsidiaries that, individually or in the aggregate, constitutes 15% or more of the net revenues, net income or assets of it and its subsidiaries, taken as a whole, or (b) solely in the case of CB&I, all or substantially all of the business or assets of the CB&I entities to be acquired in the CB&I Technology Acquisition; (2) direct or indirect acquisition or purchase of 15% or more of any class of equity securities of CB&I or McDermott, as applicable; (3) tender offer or exchange offer that, if consummated, would result in any person beneficially owning 15% or more of any class of equity securities of CB&I or McDermott, as applicable; or (4) merger, consolidation, business combination, joint venture, partnership, recapitalization, liquidation, dissolution or similar transaction involving either CB&I or McDermott, as applicable, or any of its subsidiaries whose business constitutes 15% or more of the net revenue, net income or assets of such party and its subsidiaries, taken as a whole.

Notwithstanding the foregoing, prior to obtaining the CB&I Shareholder Approval or the McDermott Stockholder Approval, CB&I or McDermott, respectively, or their respective Representatives, may (1) furnish information and access, but only in response to an unsolicited Acquisition Proposal to such party submitted by a third person after the date of the Business Combination Agreement (for so long as the applicable Acquisition Proposal has not been withdrawn) and (2) participate in discussions and negotiate with such person concerning such an unsolicited Acquisition Proposal only if:

the submission of the Acquisition Proposal did not result from or arise in connection with a breach of the non-solicitation provisions of the Business Combination Agreement;

such party's Board (the McDermott Board, in the case of McDermott, or the CB&I Boards, in the case of CB&I) concludes in good faith (after receipt of advice of a financial advisor and outside legal counsel) that the Acquisition Proposal is reasonably likely to result in a Superior Proposal; and

such party receives from the person making the Acquisition Proposal an executed confidentiality agreement the material provisions of which, as they relate to confidentiality, are in all material respects no less favorable in the aggregate to such party and no less restrictive to such third person than those contained in the confidentiality agreement between McDermott and CB&I. Such party will promptly (and in no event later than 24 hours after receipt of any Acquisition Proposal or request) notify the other party of the identity of the person making the Acquisition Proposal.

In the event CB&I or McDermott receives an Acquisition Proposal, any inquiry, proposal or indication of interest that would reasonably be expected to lead to an Acquisition Proposal, any request for nonpublic information

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relating to such party or any of its subsidiaries or for access to their properties, books or records by any person that has made or, to the knowledge of such party, would reasonably be expected to make an Acquisition Proposal, or any request for discussions or negotiations are sought to be initiated or continued with such party in respect of an Acquisition Proposal, such party will promptly (and in no event later than 48 hours after receipt of any Acquisition Proposal, inquiry or request) notify the other party of the identity of the person making the Acquisition Proposal or request and of its material terms and keep the other party reasonably and promptly informed of the status and material terms of the Acquisition Proposal, inquiry or request.

Subject to such party's compliance with the immediately preceding paragraph, each of the McDermott Board or the CB&I Boards may, if the change occurs before obtaining the McDermott Stockholder Approval or CB&I Shareholder Approval, respectively, effect a Change in Recommendation in connection with an Acquisition Proposal only if:

such party's Board (the McDermott Board, in the case of McDermott, or the CB&I Boards, in the case of CB&I) determines in good faith (after consultation with its financial advisor and outside legal counsel) that an Acquisition Proposal that did not result from and was not proximately caused by a breach of the non-solicitation provisions of the Business Combination Agreement constitutes a Superior Proposal;

before, taking any such action, it gives the other party at least four business days' written notice of its Board's intent to effect a Change in Recommendation and the notice specifies the material terms and conditions of the Acquisition Proposal, identifies the person making the Acquisition Proposal and includes a copy of the proposed acquisition agreement (if any);

during such period of at least four business days (with an extension of two additional business days for any new notice as a result of an amendment to the financial terms of such Acquisition Proposal), if requested by the other party, the parties have negotiated in good faith to make such revisions to the Business Combination Agreement such that the Acquisition Proposal no longer is a Superior Proposal; and

at the end of such period, the Board of such party (after considering in good faith any offered revisions or adjustments to the Business Combination Agreement during such period) continues to determine in good faith (after consultation with its outside counsel and financial advisors) that the Acquisition Proposal constitutes a Superior Proposal and that failure to make a Change in Recommendation would be inconsistent with the directors' exercise of their fiduciary obligations to such party's shareholders (and, in the case of CB&I, its other stakeholders) under applicable law.

In addition, each of the McDermott Board or the CB&I Boards may, at any time prior to obtaining the McDermott Stockholder Approval or CB&I Shareholder Approval, respectively, effect a Change in Recommendation in response to an Intervening Event (as defined below) only if:

such party's Board (the McDermott Board, in the case of McDermott, or the CB&I Boards, in the case of CB&I) determines in good faith (after consultation with its outside legal counsel) that failure to make a Change in Recommendation would be inconsistent with the directors' fiduciary duties to such party's shareholders (and, in the case of CB&I, its other stakeholders) under applicable law;

before taking any such action, it gives the other party at least four business days' written notice of its Board's intent to effect a Change in Recommendation, which notice specifies the Intervening Event in reasonable detail;

during such period of at least four business days, if requested by the other party, the parties have negotiated in good faith to make such revisions to the Business Combination Agreement as would enable such party to proceed with its recommendation of the Business Combination Agreement and the Combination and not make a Change in Recommendation in response to the Intervening Event; and

at the end of such period, the Board of such party (after considering in good faith any offered revisions or adjustments to the Business Combination Agreement during such period) continues to determine in

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good faith that failure to make a Change in Recommendation would be inconsistent with the directors exercise of their fiduciary obligations to such party's shareholders (and, in the case of CB&I, its other stakeholders) under applicable law.

The term Superior Proposal with respect to a party means any Acquisition Proposal for such party, substituting 75% for 15%, on terms that such party's Board determines in its good faith judgment (after consultation with its financial advisor and outside legal counsel and, in the case of CB&I, after taking into account all financial, legal, regulatory, timing, risk of consummation and other aspects of such CB&I Acquisition Proposal) are more favorable (or, in the case of a CB&I Acquisition Proposal, substantially more favorable) to such party and its shareholders and other stakeholders than the Combination and the other transactions contemplated hereby (taking into account the likelihood of consummation on the terms so proposed and all such other factors as its Board deems relevant).

A Change in Recommendation would occur with respect to a party if that party's Board (or any Board committee): (1) withdraws, modifies or qualifies, or proposes publicly to withhold, withdraw, modify or qualify, in any manner adverse to the other party or its affiliates, the approval of the Business Combination Agreement, or such party's Board's recommendation to its shareholders described in the Business Combination Agreement and in this document; (2) recommends, adopts, or approves, or publicly proposes to recommend, adopt or approve any Acquisition Proposal; or (3) resolves, agrees or publicly proposes to do any of the foregoing.

An Intervening Event means any fact, circumstance, occurrence, event, development, change or condition or combination thereof that: (1) was not known to the McDermott Board or the CB&I Boards, as applicable, of the date of the Business Combination Agreement (or if known, the consequences or magnitude of which were not known or reasonably foreseeable), but becomes known to such Board prior to obtaining the McDermott Stockholder Approval or CB&I Shareholder Approval, as applicable; and (2) does not relate to (a) any Acquisition Proposal of such party or (b) clearance of the Combination under the HSR Act or any other applicable regulatory law, including any action in connection therewith taken pursuant to or required to be taken pursuant to the Business Combination Agreement; *provided*, however, that: (1) any change in the price or trading volume of CB&I Common Stock or McDermott Common Stock shall not be taken into account for purposes of determining whether an Intervening Event with respect to such party has occurred (however, any underlying cause thereof may be taken into account for purposes of determining whether an Intervening Event has occurred); (2) in no event will any fact, circumstance, occurrence, event, development, change or condition or combination thereof that has had or would reasonably be expected to have an adverse effect on the business or financial condition of the other party or any of its subsidiaries constitute an Intervening Event unless such fact, circumstance, occurrence, event, development, change or condition or combination thereof constitutes a material adverse effect; and (3) CB&I or McDermott meeting, failing to meet or exceeding projections will not be taken into account for purposes of determining whether an Intervening Event has occurred (however, any underlying cause thereof may be taken into account for purposes of determining whether an Intervening Event has occurred).

**Indemnification and Directors and Officers Insurance**

From and after the Merger Effective Time, McDermott will: (1) indemnify each person who is or prior to the Exchange Offer Effective Time has been a director or officer of CB&I or a director, officer, member, trustee or fiduciary of any of its subsidiaries against all costs, expenses, liability and loss incurred by reason of such person's service to CB&I or its subsidiaries, including service with respect to employee benefit plans, to the same extent as provided by CB&I's organizational documents and applicable law as of the date of the Business Combination Agreement; and (2) advance expenses as incurred to the same extent. McDermott also has agreed that, for a period of six years after the closing of the Combination, it will not permit CB&I (or its successors) to amend, repeal or modify any provisions of its organizational documents in a manner that would adversely affect the right, exculpation or indemnification of present or former directors, officers and employees of CB&I and its subsidiaries.



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At or prior to the Merger Effective Time, any of the McDermott Parties or the CB&I Parties may purchase a tail directors and officers liability insurance policy covering the indemnified parties described above for at least six years after the Merger Effective Time. If neither McDermott nor McDermott Bidco nor CB&I purchase such a policy, then for a period of six years after the Merger Effective Time, McDermott will maintain directors and officers liability insurance policies with terms substantially no less advantageous to the indemnified parties than CB&I's existing policies. Neither CB&I nor McDermott will be required to spend more than 300% of the amount CB&I paid as its last annual premium for directors and officers liability insurance.

**Reasonable Best Efforts; Filings**

Each of McDermott and CB&I has agreed to (and will cause each of their respective subsidiaries to) use its reasonable best efforts to take promptly, or cause to be taken, all actions and to do promptly, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable under applicable law to consummate and make effective the Combination and the other transactions contemplated by the Business Combination Agreement.

Without limiting the foregoing, each of McDermott and CB&I has agreed to (and will cause each of their respective subsidiaries to):

make its respective required filings (or, subject to the consent of the other party, any filings determined by either party to be advisable) under the HSR Act and any other competition laws as promptly as practicable;

use its reasonable best efforts to cooperate with the other party to determine which filings are required (or, subject to the consent of the other party, considered by either party to be advisable), to be made prior to the Exchange Offer Effective Time with, and which consents, approvals, permits and authorizations are required to be obtained prior to the Exchange Offer Effective Time from, any governmental entity;

promptly furnish to the other party such necessary information and reasonable assistance as such other party may reasonably request in connection with its preparation of necessary filings, registrations or submissions of information to any governmental entity;

timely make such filings;

deliver to the other parties' counsel complete copies of all documents furnished as part of any such filing;

promptly notify the other party of any communication concerning the Business Combination Agreement or the Combination from any governmental entity;

not participate or agree to participate in any meeting or discussion (other than discussions that cover only administrative and non-substantive matters) with any governmental entity related to any filings or

investigation concerning the Business Combination Agreement or the Combination unless it consults with the other party in advance and invites the other party's Representatives to attend, unless prohibited by the applicable governmental entity; and

promptly furnish to the other party draft copies of all correspondence, filings and communications that it intends to submit to any governmental entity prior to submission, with reasonable time to comment and consult.

The parties have also agreed that McDermott will be entitled to direct the antitrust defense of the transaction contemplated by the Business Combination Agreement or litigation by or negotiations with any governmental entity, and McDermott has agreed to consult with, and consider in good faith the views of, CB&I throughout the antitrust defense of the transaction contemplated by the Business Combination Agreement. Under the terms of the Business Combination Agreement, the McDermott Parties are required to take all such action necessary to



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resolve any objections that an antitrust regulator may assert under regulatory laws, and to avoid or eliminate, and minimize the impact of, each impediment under regulatory laws that may be asserted by a governmental entity in order to enable the closing of the Combination to occur as soon as reasonably possible (and in any event no later than the Termination Date). However, none of the McDermott Parties or the CB&I Parties are required to take, or cause to be taken, or agree to take, any action with respect to any of the assets, businesses or product lines of McDermott, CB&I, any of their subsidiaries, or any combination thereof, if such action, individually or in the aggregate, would reasonably be expected to have a material adverse effect on the business, assets, results of operations or financial condition of McDermott, CB&I and their respective subsidiaries, taken as a whole. If requested by McDermott, CB&I will agree to take any of the actions contemplated by this paragraph provided that the consummation of any divestiture or the effectiveness of any other remedy is conditioned on the consummation of the Combination.

In accordance with the above-described provisions, McDermott and CB&I concluded that the only regulatory filings required under applicable antitrust or competition laws are filings pursuant to the HSR Act and the Russian Law on Protection of Competition. McDermott and CB&I made their filings under the HSR Act in January 2018. On January 24, 2018, the Premerger Notification Office of the FTC advised McDermott and CB&I that early termination of the HSR Act waiting period had been granted. McDermott filed an application for the consent of the Russian Federal Antimonopoly Service on February 5, 2018.

If the Combination has not occurred on or before the Termination Date due to the failure to obtain any required regulatory clearances, or if an order, decree or ruling permanently prohibits or enjoins the consummation of the Exchange Offer or any of the Core Transactions, the Business Combination Agreement may be terminated. See Termination, Amendment and Waiver for additional information.

## **Certain Employee Matters**

For a period commencing with the Merger Effective Time and ending on December 31, 2018, McDermott will provide to each current and former employee of CB&I and its subsidiaries base compensation or wages, target bonus opportunity and severance benefits that are at least as favorable on an item-by-item basis as provided to such employee immediately prior to the closing of the Combination and benefits that are no less favorable, in the aggregate, than the benefits provided to each such employee immediately prior to the closing of the Combination.

For purposes of vesting, eligibility to participate and benefit accrual (other than for purposes of benefit accrual under any defined benefit pension plan or retiree welfare plan sponsored by McDermott or its subsidiaries (other than such plans that are legacy CB&I Plans) under the employee benefit plans of McDermott and its subsidiaries, each CB&I employee will be credited with his or her years of service with CB&I and its subsidiaries and predecessors prior to the Exchange Offer Effective Time to the same extent such employee was entitled to such credited service prior to the Exchange Offer Effective Time under the corresponding CB&I plans. CB&I employees will be eligible to participate in the employee benefit plans of McDermott and its subsidiaries for which they are otherwise made eligible and that are comparable to a CB&I benefit plan the employee participated in prior to the Exchange Offer Effective Time without any waiting time, and to the extent such employee benefit plans provide medical, dental, pharmaceutical and/or vision benefits, without any pre-existing condition exclusions or actively-at-work requirements, except to the extent such exclusions or requirements applied under the applicable CB&I plan. CB&I employees will receive credit for amounts paid under the CB&I medical plans in 2018 for satisfying deductibles, coinsurance and maximum out-of-pocket requirements under the corresponding plans of McDermott and its subsidiaries in which they will participate.

## **Financing**

McDermott has agreed to use its reasonable best efforts to:

take, or cause to be taken, all actions necessary to obtain the financings (the **Financings** ) on the terms and conditions described in the debt commitment letter and related fee letter (the **Financing**

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Commitment Letter ) (or any substitute financing arrangements as agreed by the parties) or on terms more favorable to McDermott;

maintain in effect the commitments for the Financings provided pursuant to the Financing Commitment Letter;

negotiate, execute and deliver definitive agreements with respect to the Financings on the terms and conditions contained in the Financing Commitment Letter;

satisfy on a timely basis all conditions in the Financing Commitment Letter and the related definitive agreements and comply with its obligations thereunder; and

subject to satisfaction of the conditions in the Financing Commitment Letter and related definitive agreements, enforce its rights thereunder and cause the lenders thereunder to comply with their respective obligations thereunder to fund the Financings to the extent required to consummate the transactions contemplated by the Business Combination Agreement and to pay related fees and expenses on the Closing Date.

McDermott has agreed to keep CB&I informed on a reasonably current basis and in reasonable detail of the status of its efforts to arrange the Financings. In addition, in the event that any portion of the Financings become unavailable, (other than due to a failure to satisfy specified closing conditions), McDermott has agreed to use its reasonable best efforts to obtain alternative debt financing (in an amount sufficient, when taken together with the available portion of the Financings, to consummate the transactions contemplated by the Business Combination Agreement and to pay related fees and expenses) from the same or other sources and which does not include any conditions to the consummation of such alternative debt financing that are more onerous than the conditions set forth in the Financing Commitment Letter.

In connection with the Financings, each of McDermott and CB&I has agreed to use its reasonable best efforts to:

provide reasonably required information relating to it and its subsidiaries to the third parties providing the Financings;

participate in meetings, drafting sessions and due diligence sessions in connection with the Financings;

assist in the preparation of any offering documents for the Financings and materials for rating agency presentations;

reasonably cooperate with the marketing efforts for any portion of the Financings;

execute and deliver customary certificates, accounting comfort letters, surveys, title insurance or other documents and instruments relating to guarantees, the pledge of collateral and other matters ancillary to the Financing as may be reasonably necessary in connection with the Financings;

assist in obtaining consents, waivers and estoppels as may be reasonably requested in connection with the Financings and any collateral arrangements for the Financings;

provide all documentation and other information about such party and its subsidiaries as is requested by any source for the Financings and required under applicable know your customer and anti-money-laundering rules and regulations;

enter into one or more secured or unsecured credit or other agreements, or related guarantees and other ancillary agreements, on terms satisfactory to McDermott that are reasonably necessary in connection with the Financings immediately prior to and conditioned upon the Exchange Offer Effective Time;

furnish the sources for the Financings as promptly as practicable with all financial and other information regarding the parties and their respective subsidiaries as may be reasonably necessary of a type generally used in connection with a syndicated bank financing as well as a registered public offering or an offering pursuant to Rule 144A of the Securities Act;

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take all actions reasonably necessary in connection with the termination at the closing of the Combination of all commitments in respect of certain existing McDermott indebtedness and certain existing CB&I indebtedness and the pay-off on the Closing Date of certain existing indebtedness and the release of related liens and guarantees, in each case as contemplated by or required in connection with the Financings; and

take all corporate actions reasonably necessary to permit the consummation of the Financings and the direct borrowing or incurrence of all of the proceeds of the Financings by McDermott concurrently with the Exchange Offer Effective Time.

In the event that the Combination is not consummated due to circumstances arising out of any failure to obtain the Financings, McDermott will not have any liability to CB&I arising out of such failure, but McDermott will not be relieved of certain obligations under the Business Combination Agreement, including its obligation to use its reasonable best efforts to obtain the Financing Commitments to the extent required by the Business Combination Agreement.

### **CB&I Works Council Consultation Procedure and Other Labor Obligations**

The Business Combination Agreement provides that, as a condition to the inclusion of two of CB&I's subsidiaries in the CB&I Technology Acquisition, namely Lummus Technology Heat Transfer B.V. and Novolen Technology Holdings C.V. (both of which are organized under the laws of the Netherlands) (the "Dutch Technology Entities"), a consultation procedure must be completed with a works council in the Netherlands (the "CB&I Works Council" and such consultation procedure, the "CB&I Works Council Consultation Procedure").

Each party, as applicable, will fully comply with all other notice, consultation, effects bargaining or other bargaining obligations to any labor union, labor organization, works council or group of employees of such party and its subsidiaries in connection with the transactions contemplated by the Business Combination Agreement.

### **Additional Agreements**

*Listing Application.* McDermott has agreed to use its reasonable best efforts to cause the shares of McDermott Common Stock to be issued in the Combination or to be reserved for issuance upon the exercise or vesting, as applicable, of each converted equity award to be approved for listing on the NYSE, subject to official notice of issuance, prior to the Exchange Offer Effective Time.

*Inspection.* Until the Exchange Offer Effective Time, each of CB&I and McDermott has agreed to allow designated officers, attorneys, accountants and other representatives of the other party reasonable access to the records and files, correspondence, audits and properties, as well as to all information relating to its and its subsidiaries' commitments, contracts, titles and financial position, or otherwise pertaining to its and its subsidiaries' business and affairs.

*Publicity.* McDermott and CB&I have agreed to consult with each other before issuing any press release or public statement with respect to the Combination. In addition, neither McDermott nor CB&I will issue any press release or otherwise make any public statement or disclosure concerning the other party or the other party's business, financial condition or results of operations without the consent of the other party (not to be unreasonably withheld, conditioned or delayed).

*Charter Provisions; Takeover Laws.* Each of McDermott and CB&I has agreed to use all reasonable efforts to grant any approvals required by its organizational documents or any applicable takeover statute or regulation and take such actions as are necessary so that the transactions contemplated by the Business Combination Agreement may be

consummated as promptly as practicable on the terms contemplated by the Business Combination Agreement and will otherwise act to minimize the effects of any such takeover statute or regulation on the transactions contemplated by the Business Combination Agreement.

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*Creditor Opposition; Transaction Litigation.* CB&I agreed that it would promptly notify McDermott and McDermott Bidco upon receipt of notice of any actual, pending or threatened opposition rights proceeding initiated, pending to be initiated or threatened to be initiated by any CB&I creditor with respect to the Merger pursuant to Dutch law. The statutory Dutch law creditor opposition period with respect to the Merger of one month commenced the day after the announcement of the Merger on February 2, 2018. That one month creditor opposition period will expire on March 2, 2018.

Each party to the Business Combination Agreement has agreed to give the other parties the opportunity to participate in the defense or settlement of any creditor, stockholder or shareholder litigation against it and/or its directors or officers relating to the transactions contemplated by the Business Combination Agreement. Each party has further agreed that it will not settle or offer to settle any litigation commenced against it or any of its directors or officers by any of its creditors, stockholders or shareholders relating to the Business Combination Agreement or the Combination without the prior written consent of the other parties (not to be unreasonably withheld, conditioned or delayed).

*Expenses.* Each of McDermott and CB&I has agreed to pay all costs and expenses incurred by it in connection with the Business Combination Agreement and the other transactions contemplated by it, regardless of whether the Combination is consummated, except as the parties otherwise agree in writing.

## **Post-Combination Governance and Management**

At the closing of the Combination, the McDermott Board will have 11 members, including (1) six persons who are current members of the McDermott Board, two of which will be Gary Luquette, the Chairman of the McDermott Board, and David Dickson, the President and Chief Executive Officer of McDermott, and (2) five persons who are current members of the CB&I Supervisory Board. Gary Luquette will continue as the Non-Executive Chair of the McDermott Board. David Dickson will continue as the President and Chief Executive Officer of McDermott and Stuart Spence will continue as the Executive Vice President and Chief Financial Officer of McDermott. Patrick Mullen, President and Chief Executive Officer of CB&I, will remain with the combined business for a transition period. See Post-Combination Governance and Management.

## **Conditions to the Combination**

The respective obligations of each party to conduct the closing of the transactions contemplated by the Business Combination Agreement are subject to the fulfillment of the following conditions on or prior to the Closing Date:

the absence of any judgment, injunction, order or decree of any court of competent jurisdiction or a governmental entity in the United States, the Republic of Panama, Russia or the Netherlands prohibiting or enjoining the consummation of the Exchange Offer or any of the Core Transactions, and no law, statute, rule or regulation having been enacted by any governmental entity or in effect in any of those jurisdictions that prohibits or makes unlawful the consummation of the Exchange Offer or any of the Core Transactions;

the effectiveness of the registration statement of which this document is a part, and the absence of any stop order or proceeding (or threatened proceeding) by the SEC seeking a stop order relating to such effectiveness;

the CB&I Shareholder Approval and the McDermott Stockholder Approval shall have been obtained;

the McDermott Articles Amendment shall have become effective;

the approval for listing on the NYSE of the shares of McDermott Common Stock to be issued pursuant to the Combination, subject to official notice of issuance;

any waiting period applicable to the Combination under the HSR Act shall have expired or been earlier terminated and competition law merger control clearance in Russia shall have been obtained; and



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McDermott and CB&I shall each be reasonably satisfied that all of the conditions to funding the Financings or any applicable alternative financing arrangements shall have been satisfied or that the applicable financings shall have been funded.

*Additional Conditions to the Obligations of the McDermott Parties.* The obligations of the McDermott Parties to conduct the closing of the Combination are subject to the fulfillment (or waiver by McDermott, to the extent permissible under applicable law) of the following additional conditions:

performance in all material respects by each CB&I Party of its covenants and agreements required to be performed by it under the Business Combination Agreement at or prior to the Closing Date;

the accuracy of the representations and warranties of the CB&I Parties contained in the Business Combination Agreement at and as of the date of the Business Combination Agreement and as of the Closing Date (except for any such representations and warranties made as of a particular date or period), generally subject to a material adverse effect standard or other materiality standard provided in the Business Combination Agreement; and

receipt by McDermott of a certificate of CB&I, executed on its behalf by an executive officer, certifying to the effect that the conditions referred to in the immediately preceding two bullets have been satisfied.

*Additional Conditions to the Obligations of the CB&I Parties.* The obligations of the CB&I Parties to conduct the closing of the Combination are subject to the fulfillment (or waiver by CB&I, to the extent permissible under applicable law) of the following additional conditions:

performance in all material respects by each McDermott Party of its covenants and agreements required to be performed by it under the Business Combination Agreement at or prior to the Closing Date;

the accuracy of the representations and warranties of the McDermott Parties contained in the Business Combination Agreement at and as of the date of the Business Combination Agreement and as of the Closing Date (except for any such representations and warranties made as of a particular date or period), generally subject to a material adverse effect standard or other materiality standard provided in the Business Combination Agreement; and

receipt by CB&I of a certificate of McDermott, executed on its behalf by an executive officer, certifying to the effect that the conditions referred to in the immediately preceding two bullets have been satisfied.

## **Termination, Amendment and Waiver**

### ***Termination***

The Business Combination Agreement may be terminated at any time prior to the effective time of the CB&I Technology Acquisition:

by mutual written consent of McDermott and CB&I;

by either McDermott or CB&I if:

the CB&I Technology Acquisition has not occurred on or before the Termination Date, June 18, 2018, provided that if all of the conditions to closing, other than those pertaining to (1) the expiration of the waiting period under the HSR Act or approval from the Russian Federal Antimonopoly Service or (2) any order or injunction prohibiting the Combination under antitrust laws, have been satisfied or waived (except for those conditions that by their nature are to be satisfied at closing), then the Termination Date may be extended at the option of either McDermott or CB&I, by no more than three months per extension, to a date not later than

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December 18, 2018; however, the right to terminate as a result of the Termination Date is not available to any party whose breach of any provision of the Business Combination Agreement has been the proximate cause of, or resulted in, the failure of the Combination to occur on or before the Termination Date;

the McDermott Stockholder Approval shall not have been obtained at the McDermott Special Meeting (including any adjournment or postponement of such meeting);

the CB&I Shareholder Approval shall not have been obtained at the CB&I Special General Meeting (including any reconvened CB&I Special General Meeting in accordance with the provisions described above under "CB&I Special General Meeting"); or

a court of competent jurisdiction or a governmental entity in the United States, the Republic of Panama, Russia or the Netherlands shall have issued a final, nonappealable order, decree or ruling permanently restraining, enjoining or otherwise prohibiting the Exchange Offer or any of the Core Transactions;

by CB&I if:

any of the McDermott Parties shall be in breach of any representation, warranty, covenant or agreement set forth in the Business Combination Agreement, or any representation or warranty of the McDermott Parties shall have become untrue, such that the closing conditions in the Business Combination Agreement regarding the McDermott Parties' representations, warranties, covenants or agreements would not be satisfied and such breach is not curable prior to the Termination Date; provided, however, CB&I will have no right to terminate the Business Combination Agreement under this provision if CB&I is then similarly in breach of the Business Combination Agreement;

CB&I enters into any agreement or arrangement providing for a Superior Proposal; provided, that CB&I will concurrently pay to McDermott the termination fee described below; or

at any time prior to obtaining the McDermott Stockholder Approval, a Change in Recommendation by the McDermott Board occurs; provided, that McDermott will concurrently pay to CB&I the termination fee described below;

by McDermott if:

any of the CB&I Parties is in breach of any representation, warranty, covenant or agreement set forth in the Business Combination Agreement, or any representation or warranty of CB&I shall have become untrue, such that the closing conditions in the Business Combination Agreement regarding the

CB&I Parties' representations, warranties, covenants or agreements would not be satisfied and such breach is not curable prior to the Termination Date; provided, however, McDermott will have no right to terminate the Business Combination Agreement under this provision if McDermott is then similarly in breach of the Business Combination Agreement;

McDermott enters into any agreement or arrangement providing for a Superior Proposal; provided that McDermott will concurrently pay to CB&I the termination fee described below; or

at any time prior to obtaining the CB&I Shareholder Approval, a Change in Recommendation by the CB&I Boards occurs; provided, that CB&I will concurrently pay to McDermott the termination fee described below.

***Termination Fee***

Termination of the Business Combination Agreement may require CB&I or McDermott to pay a cash termination fee of \$60.0 million under certain circumstances.

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CB&I or McDermott will be required to pay the termination fee to the other party if:

either party terminates the Business Combination Agreement because the approval of the paying party's shareholders (the CB&I Shareholder Approval or the McDermott Stockholder Approval, as applicable) is not obtained and:

prior to such time there is a publicly announced or disclosed Acquisition Proposal for the paying party by another bidder that was not withdrawn at least seven days prior to the meeting of the paying party's shareholders; and

within one year after the date of termination, the paying party enters into a definitive agreement with respect to, or consummates, an Acquisition Proposal;

the paying party terminates the Business Combination Agreement to enter into an agreement providing for a Superior Proposal; or

the receiving party terminates the Business Combination Agreement because a Change in Recommendation by the paying party's Board(s) occurs.

***Specific Performance***

The parties have agreed in the Business Combination Agreement that irreparable damage would occur in the event that any of the provisions of the Business Combination Agreement were not performed in accordance with its specific terms or were otherwise breached. The parties also have agreed that they will be entitled to an injunction or injunctions to prevent breaches of the Business Combination Agreement and to enforce specifically the terms and provisions of the Business Combination Agreement without posting any bond or other undertaking. The parties have further agreed not to assert that there is an adequate remedy at law or that the award of specific performance is not an appropriate remedy for any reason of law or equity.

***Amendment; Waiver***

At any time prior to the Exchange Offer Effective Time, the parties may amend, extend or waive any provision of the Business Combination Agreement by written consent of each party.

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**THE EXCHANGE OFFER**

*The following is a description of the principal terms of the Exchange Offer. We urge you to read this section, the exchange offer document and the other information contained in this document, including the annexes hereto, and the documents incorporated by reference herein, in their entirety prior to making any decision with respect to the Exchange Offer.*

**Purpose of the Exchange Offer**

The purpose of the Exchange Offer is to exchange any and all issued and outstanding shares of CB&I Common Stock for shares of McDermott Common Stock, at the Exchange Offer Ratio.

The Exchange Offer forms part of the Combination. The McDermott Parties and the CB&I Parties will complete the Core Transactions promptly after McDermott Bidco accepts shares of CB&I Common Stock in the Exchange Offer (and in any event on the Closing Date, other than the Liquidation Distribution, which shall occur on the Closing Date or as soon as practicable thereafter), in accordance with the Business Combination Agreement. The Business Combination Agreement and the transactions contemplated thereby are described in Description of the Business Combination Agreement.

CB&I shareholders who participate in the Exchange Offer will be able to exchange their shares of CB&I Common Stock for shares of McDermott Common Stock without incurring Dutch Dividend Withholding Tax on the receipt of such shares of McDermott Common Stock.

**Non-tendering CB&I shareholders who receive shares of McDermott Common Stock pursuant to the Liquidation Distribution rather than the Exchange Offer generally will be subject to the Dutch Dividend Withholding Tax. See the sections entitled McDermott Common Stock Sale to Satisfy Dutch Dividend Withholding Tax Obligations and Material Tax Consequences of the Combination Dutch Dividend Withholding Tax.**

**The Exchange Offer**

On the terms and subject to the conditions of the Business Combination Agreement, McDermott Bidco is offering to exchange each issued and outstanding share of CB&I Common Stock validly tendered and not properly withdrawn pursuant to the Exchange Offer for the right to receive 2.47221 shares of McDermott Common Stock or, if the McDermott Reverse Stock Split has occurred prior to the Exchange Offer Effective Time, 0.82407 shares of McDermott Common Stock. The Exchange Offer Ratio will not be adjusted to reflect changes in the trading prices of McDermott Common Stock or CB&I Common Stock prior to the date of the completion of the Exchange Offer.

The Exchange Offer will commence on [ ], 2018 and will expire at 4:00 p.m., Eastern time, on the date that is 21 business days following the date that the Exchange Offer is commenced (such time, or such time to which the Exchange Offer has been so extended, the Exchange Offer Expiration Time ), subject to extension as described below.

The exchange of shares of CB&I Common Stock tendered and accepted for exchange pursuant to the Exchange Offer will be made only after timely receipt by the Exchange Agent of (a) the letter of transmittal for the CB&I Common Stock, properly completed and duly executed, with any required signature guarantees, or, in the case of a book-entry transfer through The Depository Trust Company ( DTC ), an agent s message, and (b) any other required documents, in each case pursuant to the procedures set forth in the section entitled Procedures for Tendering.



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If the Exchange Offer is terminated in accordance with the Business Combination Agreement prior to the acceptance for payment and payment for shares of CB&I Common Stock tendered pursuant to the Exchange Offer, McDermott Bidco will (and will cause the Exchange Agent to) return such tendered shares to the registered holders thereof.

If McDermott Bidco accepts shares of CB&I Common Stock in the Exchange Offer in accordance with the terms of the Business Combination Agreement, then the McDermott Parties and the CB&I Parties will complete the actions contemplated by the Business Combination Agreement with respect to the Core Transactions on the Closing Date, provided that the Liquidation Distribution will occur on the Closing Date or as soon as practicable thereafter.

## **Important Notice**

**The Exchange Offer, as part of the Combination, is subject to a number of conditions as set forth below under the heading Conditions to the Exchange Offer as Part of the Combination. The conditions must be satisfied at or prior to the Exchange Offer Expiration Time (or waived by CB&I and McDermott to the extent permissible under applicable law). If the conditions are not satisfied (or waived by CB&I and McDermott to the extent permissible under applicable law), the Exchange Offer will not be completed and tendered shares of CB&I Common Stock will be returned to the registered holders of such shares.**

## **Conditions to the Exchange Offer as Part of the Combination**

The obligation of each of the McDermott Parties and the CB&I Parties to complete the Combination (including the obligation of McDermott Bidco to accept for exchange, and the obligation of McDermott to issue shares of McDermott Common Stock to McDermott Bidco to offer in exchange for, any shares of CB&I Common Stock validly tendered and not properly withdrawn pursuant to the Exchange Offer) is subject to the satisfaction of the following conditions:

the absence of any judgment, injunction, order or decree of any court of competent jurisdiction or a governmental entity in the United States, the Republic of Panama, Russia or the Netherlands prohibiting or enjoining the consummation of the Exchange Offer or any of the Core Transactions, and no law, statute, rule or regulation having been enacted by any governmental entity or in effect in any of those jurisdictions which prohibits or makes unlawful the consummation of the Exchange Offer or any of the Core Transactions;

the effectiveness of the registration statement of which this document is a part, and the absence of any stop order or proceeding (or threatened proceeding) by the SEC seeking a stop order relating to such effectiveness;

the CB&I Shareholder Approval and the McDermott Stockholder Approval shall have been obtained;

the McDermott Articles Amendment shall have become effective;

the approval for listing on the NYSE of the shares of McDermott Common Stock to be issued pursuant to the Combination, subject to official notice of issuance;



any waiting period applicable to the Combination under the HSR Act shall have expired or been earlier terminated and competition law merger control clearance in Russia shall have been obtained; and

McDermott and CB&I shall each be reasonably satisfied that all of the conditions to funding the Financings or any applicable alternative financing arrangements shall have been satisfied or that the applicable financings shall have been funded.

*Additional Conditions to the Obligations of the McDermott Parties.* The obligations of the McDermott Parties to complete the Combination (including the obligation of McDermott Bidco to accept for exchange, and the

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obligation of McDermott to issue shares of McDermott Common Stock to McDermott Bidco to be exchanged for, any shares of CB&I Common Stock validly tendered and not properly withdrawn pursuant to the Exchange Offer) are subject to the fulfillment (or waiver by McDermott, to the extent permissible under applicable law) of the following additional conditions:

performance in all material respects by each CB&I Party of its covenants and agreements required to be performed by it under the Business Combination Agreement at or prior to the Closing Date;

the accuracy of the representations and warranties of the CB&I Parties contained in the Business Combination Agreement at and as of the date of the Business Combination Agreement and as of the Closing Date (except for any representations and warranties made as of a particular date or period), generally subject to a material adverse effect standard or other materiality standard provided in the Business Combination Agreement; and

receipt by McDermott of a certificate of CB&I, executed on its behalf by an executive officer, certifying to the effect that the conditions referred to in the immediately preceding two bullets have been satisfied.

*Additional Conditions to the Obligations of CB&I.* The obligations of the CB&I Parties to complete the Combination are subject to the fulfillment (or waiver by CB&I, to the extent permissible under applicable law) of the following additional conditions:

performance in all material respects by each McDermott Party of its covenants and agreements required to be performed by it under the Business Combination Agreement at or prior to the Closing Date;

the accuracy of the representations and warranties of the McDermott Parties contained in the Business Combination Agreement at and as of the date of the Business Combination Agreement and as of the Closing Date (except for any representations and warranties made as of a particular date or period), generally subject to a material adverse effect standard or other materiality standard provided in the Business Combination Agreement; and

receipt by CB&I of a certificate of McDermott, executed on its behalf by an executive officer, certifying to the effect that the conditions referred to in the immediately preceding two bullets have been satisfied.

## **Waiver of Conditions to the Exchange Offer as Part of the Combination**

The satisfaction of the conditions to the Exchange Offer as part of the Combination may be waived by the party or parties entitled to benefit from the conditions as and to the extent permitted by applicable law and subject to the terms and conditions of the Business Combination Agreement.

## **Timetable**

### ***Acceptance Period; Expiration Date***

The Exchange Offer will commence promptly and, subject to the satisfaction or waiver of the conditions set forth in the Business Combination Agreement, will expire at 4:00 p.m., Eastern time, on the date that is 21 business days following the date that the Exchange Offer is commenced, unless otherwise extended as described below.

*Acceptance of Shares of CB&I Common Stock in the Exchange Offer*

Promptly following the Exchange Offer Expiration Time (but in any event within one hour, if the Exchange Offer Expiration Time occurs between 9:00 a.m. to 4:00 p.m., Eastern time, on any business day), McDermott Bidco will accept for exchange and, at or promptly (but in any event within three business days (calculated as set

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forth in Rule 14d-1(g)(3) promulgated under the Exchange Act) thereafter), deliver the Exchange Offer Consideration (by delivery by McDermott Bidco of shares of McDermott Common Stock to the Exchange Agent appointed by McDermott Bidco for the Exchange Offer) for all shares of CB&I Common Stock validly tendered and not properly withdrawn pursuant to the Exchange Offer as of the Exchange Offer Effective Time.

The obligation of McDermott Bidco to accept for exchange, and the obligation of McDermott to issue shares of McDermott Common Stock to McDermott Bidco to offer in exchange for, any shares of CB&I Common Stock validly tendered and not properly withdrawn pursuant to the Exchange Offer is subject only to the satisfaction (or waiver) of the closing conditions set forth above under the heading **Conditions to the Exchange Offer as Part of the Combination**. If McDermott Bidco accepts shares of CB&I Common Stock in the Exchange Offer, the CB&I Parties and the McDermott Parties will complete the Core Transactions promptly thereafter in accordance with the Business Combination Agreement (and in any event on the Closing Date, provided that the Liquidation Distribution will occur on the Closing Date or as soon as practicable thereafter).

***Extension of the Exchange Offer***

McDermott Bidco may extend the Exchange Offer to such other date and time as may be agreed in writing by McDermott and CB&I, and McDermott Bidco will extend the Exchange Offer for any minimum period as may be required by the SEC (including, without limitation, for any five-day extension period or longer period required under Rule 14d-4 or Rule 14e-1 under the Exchange Act) or the NYSE. Pursuant to the Business Combination Agreement, McDermott Bidco has agreed to extend the Exchange Offer on one or more occasions if, at the then-scheduled Exchange Offer Expiration Time, any condition to the Exchange Offer has not been satisfied or waived, provided that:

prior to the date of the later of the McDermott Special Meeting and the CB&I Special General Meeting, no single extension is permitted to be for a period ending later than the earlier of: (1) the 20th business day after the then-scheduled Exchange Offer Expiration Time and (2) the fifth business Day after the date on which the later of the McDermott Special Meeting and the CB&I Special General Meeting is scheduled to occur (or is reasonably expected to occur);

after the date of the later of the McDermott Special Meeting and the CB&I Special General Meeting, no single extension is permitted for a period of more than five business days; and

McDermott Bidco may not under any circumstances extend the Exchange Offer to a date later than the Termination Date.

McDermott Bidco is not required to extend the Exchange Offer beyond the Termination Date.

The parties do not anticipate commencing any subsequent offering period following the Exchange Offer Expiration Time.

***Amendment of the Exchange Offer***

McDermott Bidco expressly reserves the right at any time to make any change in the terms of, or conditions to, the Exchange Offer; however, McDermott Bidco must obtain the prior written consent of CB&I to:

decrease the Exchange Offer Ratio;

change the form of Exchange Offer Consideration;

decrease the number of shares of CB&I Common Stock sought in the Exchange Offer;

terminate, accelerate, extend or otherwise change the Exchange Offer Expiration Time, except as otherwise provided in the Business Combination Agreement;

impose additional conditions to the Exchange Offer;

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expand existing conditions to the Exchange Offer; or

otherwise amend, modify or supplement any of the conditions to the Exchange Offer in a manner adverse to, or that reasonably could be expected to be adverse to, the holders of shares of CB&I Common Stock (other than McDermott or McDermott Bidco) or in a manner that materially and adversely affects the likelihood of consummation of the Exchange Offer on a timely basis.

### ***Termination of the Exchange Offer***

The Exchange Offer may not be terminated prior to the initial Exchange Offer Expiration Time or the then-scheduled Exchange Offer Expiration Time (as it may be extended) unless the Business Combination Agreement is validly terminated pursuant to its terms. If the Exchange Offer is terminated in accordance with the Business Combination Agreement by McDermott Bidco prior to the acceptance for payment and payment for shares of CB&I Common Stock tendered pursuant to the Exchange Offer, McDermott Bidco will (and McDermott will cause McDermott Bidco to) promptly return, and will cause the Exchange Agent to return, in accordance with applicable law, all tendered shares of CB&I Common stock to the registered holders thereof.

### **Procedures for Tendering**

For you to validly tender your shares of CB&I Common Stock pursuant to the Exchange Offer, prior to the expiration of the Exchange Offer:

If your shares are directly registered in your own name in CB&I's shareholders register, including if you are a record holder and you hold shares in book-entry form on the books of CB&I's transfer agent, the following must be received by the Exchange Agent at one of its addresses set forth in the letter of transmittal prior to the Exchange Offer Expiration Time: (a) the letter of transmittal, properly completed and duly executed, and (b) any other documents required by the letter of transmittal.

If your shares are held in street name and are being tendered by book-entry transfer into an account maintained at the DTC, the following must be received by the Exchange Agent at one of its addresses set forth in the letter of transmittal prior to the Exchange Offer Expiration Time: (a) the letter of transmittal, properly completed and duly executed, or an agent's message; (b) a book-entry confirmation from DTC; and (c) any other required documents.

If you hold your shares through a broker, dealer, commercial bank, trust company or other nominee, you must contact your broker, dealer, commercial bank, trust company or other nominee and give instructions that your shares be tendered.

If your shares are allocated to your account under the Chicago Bridge and Iron Savings Plan or the Lutech Resources, Inc. 401(k) Savings Plan (the "CB&I 401(k) Plans"), you should follow the special instructions you receive from the plan trustee.

The term "agent's message" means a message transmitted by DTC to, and received by, the Exchange Agent and forming a part of a book-entry confirmation, which states that DTC has received an express acknowledgment from the DTC

participant tendering the shares that are the subject of such book-entry confirmation, that such participant has received and agrees to be bound by the terms of the letter of transmittal and that McDermott Bidco may enforce that agreement against such participant.

The Exchange Agent will establish an account with respect to the shares of CB&I Common Stock at DTC for purposes of the Exchange Offer, and any eligible institution that is a participant in DTC may make book entry delivery of shares of CB&I Common Stock by causing DTC to transfer such shares into the Exchange Agent's account at DTC in accordance with DTC's procedure for the transfer. Delivery of documents to DTC does not constitute delivery to the Exchange Agent.

Do not send letters of transmittal to McDermott, McDermott Bidco or CB&I. Letters of transmittal for shares of CB&I Common Stock should be sent to the Exchange Agent at an address listed on the letter of transmittal.

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Trustees, executors, administrators, guardians, attorneys in fact, officers of corporations or others acting in a fiduciary or representative capacity who sign a letter of transmittal or any stock powers must indicate the capacity in which they are signing and must submit evidence of their power to act in that capacity unless waived by McDermott Bidco.

**The method of delivery of shares of CB&I Common Stock and all other required documents, including delivery through DTC, is at the option and risk of the tendering CB&I shareholder, and delivery will be deemed made only when actually received by the Exchange Agent. If delivery is by mail, McDermott Bidco recommends registered mail with return receipt requested and properly insured. In all cases, CB&I shareholders should allow sufficient time to ensure timely delivery.**

### **No Guaranteed Delivery**

McDermott Bidco is not providing for guaranteed delivery procedures, and therefore CB&I shareholders must allow sufficient time for the necessary tender procedures to be completed during normal business hours of DTC and the Exchange Agent prior to the expiration date. CB&I shareholders must tender their shares of CB&I Common Stock in accordance with the procedures set forth in this document. In all cases, McDermott Bidco will exchange shares validly tendered and accepted for exchange pursuant to the Exchange Offer only after timely receipt by the Exchange Agent of shares (or timely confirmation of a book-entry transfer of such shares into the Exchange Agent's account at DTC as described elsewhere in this document), a properly completed and duly executed letter of transmittal (or an agent's message in connection with a book-entry transfer) and any other required documents.

### **Effect of Tenders**

A tender of CB&I Common Stock pursuant to any of the procedures described above will constitute your acceptance of the terms and conditions of the Exchange Offer as well as your representation and warranty to McDermott Bidco that (1) you have the full power and authority to tender, sell, assign and transfer the tendered shares (and any and all other shares of CB&I Common Stock or other securities issued or issuable in respect of such shares); and (2) when the same are accepted for exchange, McDermott Bidco will acquire good, marketable and unencumbered title to such shares, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claims.

The exchange of shares of CB&I Common Stock validly tendered and accepted for exchange pursuant to the Exchange Offer will be made only after timely receipt by the Exchange Agent of (a) the letter of transmittal for the shares of CB&I Common Stock, properly completed and duly executed, with any required signature guarantees, or, in the case of a book entry transfer through DTC, an agent's message, and (b) any other required documents.

### **Determination of Validity**

McDermott Bidco will determine questions as to the validity, form, eligibility (including time of receipt) and acceptance for exchange of any tender of shares of CB&I Common Stock, in McDermott Bidco's sole discretion, and its determination will be final and binding, subject to any judgment of any court of competent jurisdiction. McDermott Bidco reserves the absolute right to reject any and all tenders of shares of CB&I Common Stock that it determines are not in proper form or the acceptance of or exchange for which may, in the opinion of its counsel, be unlawful. McDermott Bidco also reserves the absolute right to waive any defect or irregularity in the tender of any shares of CB&I Common Stock. No tender of shares of CB&I Common Stock is valid until all defects and irregularities in such tender have been cured or waived. Neither McDermott Bidco nor the Exchange Agent, the information agent or any other person is under any duty to give notification of any defects or irregularities in the tender of any CB&I Common Stock or will incur any liability for failure to give any such notification. McDermott Bidco's interpretation of the terms and conditions of the Exchange Offer (including the letter of transmittal and instructions thereto) will be final and



binding.

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### **Withdrawal Rights**

A CB&I shareholder may properly withdraw shares of CB&I Common Stock tendered pursuant to the Exchange Offer at any time prior to the Exchange Offer Expiration Time. On and after the Closing Date, CB&I shareholders that have tendered their shares pursuant to the Exchange Offer will no longer be able to withdraw their shares and tenders of shares made pursuant to the Exchange Offer will be irrevocable; provided, that, if McDermott Bidco has not yet accepted shares of CB&I Common Stock tendered for exchange, any CB&I shareholder may withdraw its tendered shares after the 40th business day following commencement of the Exchange Offer.

To properly withdraw previously tendered shares, CB&I shareholders must instruct the Exchange Agent to arrange for the withdrawal of such shares by a written or facsimile transmission notice of withdrawal, which must be timely received by the Exchange Agent prior to the Exchange Offer Effective Time at the appropriate address set forth on the back cover of this document. Any notice of withdrawal must specify the name of the person having tendered the shares of CB&I Common Stock to be withdrawn, the number of tendered shares of CB&I Common Stock to be withdrawn and the name of the holder of the tendered shares of CB&I Common Stock to be withdrawn, if different from that of the person who tendered such shares.

All questions as to the form and validity (including time of receipt) of any notice of withdrawal will be determined by McDermott Bidco, in its sole discretion, which determination will be final and binding, subject to any judgment of any court of competent jurisdiction. No withdrawal of tendered shares of CB&I Common Stock will be deemed to have been properly made until all defects and irregularities have been cured or waived. None of McDermott Bidco or any of its affiliates or assignees, the Exchange Agent, or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give such notification. Withdrawals of tenders of shares of CB&I Common Stock may not be rescinded, and any shares of CB&I Common Stock properly withdrawn will be deemed not to have been validly tendered for purposes of the Exchange Offer. However, withdrawn shares of CB&I Common Stock may be retendered by following one of the procedures for tendering described above.

### **Settlement of the Exchange Offer**

Promptly following the Exchange Offer Expiration Time (but in any event within one hour, if the Exchange Offer Expiration Time occurs between 9:00 a.m. to 4:00 p.m., Eastern time, on any business day), McDermott Bidco will accept for exchange and, at or promptly (but in any event within three business days (calculated as set forth in Rule 14d-1(g)(3) promulgated under the Exchange Act) thereafter), deliver the Exchange Offer Consideration (by delivery by McDermott Bidco of shares of McDermott Common Stock to the Exchange Agent appointed by McDermott Bidco for the Exchange Offer) for all shares of CB&I Common Stock validly tendered and not properly withdrawn pursuant to the Exchange Offer as of the Exchange Offer Effective Time.

### **Cash in Lieu of Fractional Shares of McDermott Common Stock**

McDermott Bidco will only deliver whole shares of McDermott Common Stock in the Exchange Offer. To the extent a CB&I shareholder otherwise would be entitled to a fractional share of McDermott Common Stock as a result of the application of the Exchange Offer Ratio, such shareholder will instead receive an amount in cash equal to the product of the fractional share interest such shareholder otherwise would be entitled to and the closing price for a share of McDermott Common Stock on the business day immediately preceding the Closing Date. You will not receive any interest on any cash paid to you, even if there is a delay in making the payment.

### **Announcements**

Promptly after satisfaction (or waiver to the extent permissible) of the last condition to the Combination to be satisfied (or waived), the parties will issue a public announcement to such effect, which will include the expected Exchange Offer Expiration Time and the expected Closing Date.

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**Listing of Shares of McDermott Common Stock Issued in the Exchange Offer**

A condition to completion of the Exchange Offer is the approval for listing on the NYSE of all the shares of McDermott Common Stock to be issued in the Combination, subject to official notice of issuance. McDermott has agreed to use its reasonable best efforts to obtain such approval from the NYSE.

**Legal Limitations; Certain Matters Relating to Non-U.S. Jurisdictions**

This document is not an offer to buy, sell or exchange, and it is not a solicitation of an offer to buy or sell any shares of CB&I Common Stock in any jurisdiction in which the offer, sale or exchange is not permitted.

Countries outside the United States generally have their own legal requirements that govern securities offerings made to persons resident in those countries and often impose stringent requirements about the form and content of offers made to the general public. None of McDermott, McDermott Bidco or CB&I has taken any action under non-U.S. regulations to facilitate a public offer to exchange the shares of CB&I Common Stock outside the United States. Accordingly, the ability of any non-U.S. person to tender shares of CB&I Common Stock in the Exchange Offer will depend on whether there is an exemption available under the laws of such person's home country that would permit the person to participate in the Exchange Offer without the need for McDermott, McDermott Bidco or CB&I to take any action to facilitate a public offering in that country or otherwise. For example, some countries exempt transactions from the rules governing public offerings if they involve persons who meet certain eligibility requirements relating to their status as sophisticated or professional investors.

Non-U.S. stockholders are urged to consult their advisors in considering whether they may participate in the Exchange Offer in accordance with the laws of their home countries and, if they do participate, whether there are any restrictions or limitations on transactions in the shares of CB&I Common Stock that may apply in their home

countries. None of McDermott, McDermott Bidco or CB&I can provide any assurance about whether such limitations may exist.

**Table of Contents****COMPARATIVE PER SHARE MARKET INFORMATION AND DIVIDED INFORMATION**

The following table sets forth the closing sale price per share of McDermott Common Stock and CB&I Common Stock as reported on the NYSE as of December 18, 2017, the last trading day before the public announcement of the Combination, and as of March 1, 2018, the most recent practicable trading day prior to the date of this document. The table also shows the implied value of the Combination consideration proposed for each share of CB&I Common Stock as of the same dates. This implied value was calculated by multiplying the closing sale price of a share of McDermott Common Stock on the relevant date and the exchange offer ratio of 2.47221.

	<b>McDermott Closing Price</b>	<b>CB&amp;I Closing Price</b>	<b>Equivalent Per Share Value</b>
December 18, 2017	\$ 7.59	\$ 17.92	\$ 18.76
March 1, 2018	7.24	17.17	17.90

The following table sets forth, for the periods indicated, the intra-day high and low sales prices per share for McDermott Common Stock and CB&I Common Stock as reported on the NYSE, which is the principal trading market for both McDermott Common Stock and CB&I Common Stock, and the cash dividends declared per share of McDermott Common Stock and CB&I Common Stock.

The market prices of McDermott Common Stock and CB&I Common Stock will fluctuate between the date of this document and the completion of the Combination. No assurance can be given concerning the market prices of McDermott Common Stock or CB&I Common Stock before the completion of the Combination or McDermott Common Stock after the completion of the Combination. Because the Exchange Offer Ratio is fixed in the Business Combination Agreement, the market value of the McDermott Common Stock that CB&I shareholders will receive in connection with the Combination may vary significantly from the prices shown in the table above. Accordingly, CB&I shareholders are advised to obtain current market quotations for McDermott Common Stock and CB&I Common Stock before deciding whether to vote for adoption of the Business Combination Agreement.

	<b>McDermott Common Stock</b>			<b>CB&amp;I Common Stock</b>		
	<b>Price Range</b>		<b>Cash Dividends Declared</b>	<b>Price Range</b>		<b>Cash Dividends Declared</b>
	<b>High</b>	<b>Low</b>		<b>High</b>	<b>Low</b>	
<b>2018</b>						
First quarter (through March 1, 2018)	\$ 9.07	\$ 6.60	\$	\$ 21.94	\$ 16.15	\$
<b>2017</b>						
Fourth Quarter	7.85	6.05		18.72	13.76	
Third Quarter	7.73	5.56		20.20	9.55	
Second Quarter	7.23	5.90		31.69	12.91	0.07
First Quarter	8.33	6.08		36.15	28.40	0.07
<b>2016</b>						
Fourth Quarter	8.21	4.93		36.56	26.55	0.07
Third Quarter	5.40	4.41		39.71	26.12	0.07
Second Quarter	5.19	3.53		41.33	32.16	0.07

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First Quarter	4.44	2.20	39.82	31.30	0.07
<b>2015</b>					
Fourth Quarter	6.00	3.18	46.39	36.75	0.07
Third Quarter	5.37	3.02	53.73	36.23	0.07
Second Quarter	5.93	3.86	59.45	44.00	0.07
First Quarter	3.91	2.10	50.12	32.16	0.07
<b>2014</b>					
Fourth Quarter	5.72	2.21	58.21	37.37	0.07

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	<b>McDermott Common Stock</b>			<b>CB&amp;I Common Stock</b>		
	<b>Price Range</b>		<b>Cash Dividends</b>	<b>Price Range</b>		<b>Cash Dividends</b>
	<b>High</b>	<b>Low</b>	<b>Declared</b>	<b>High</b>	<b>Low</b>	<b>Declared</b>
Third Quarter	8.12	5.65		70.27	57.54	0.07
Second Quarter	8.43	6.58		89.22	64.67	0.07
First Quarter	9.36	7.25		87.41	70.76	0.07

**Table of Contents****COMPARATIVE HISTORICAL AND PRO FORMA PER SHARE INFORMATION**

The table below summarizes unaudited per share information for McDermott on a historical basis and on a pro forma combined basis reflecting the proposed Combination and the effects of the proposed McDermott Reverse Stock Split. The Exchange Offer Ratio for the pro forma computations is 2.47221 shares of McDermott Common Stock per share of CB&I Common Stock. You should read the information below, together with the financial statements and related notes of McDermott and CB&I appearing elsewhere in this document and the unaudited pro forma combined financial data included under Unaudited Pro Forma Combined Financial Statements. You should not rely on this historical or pro forma information as being indicative of the historical results that would have been achieved had the companies always been combined or of the future results of McDermott. The historical net book value per share is computed by dividing total stockholders' or shareholders' equity by the number of shares outstanding at the end of the period, excluding any shares held in treasury. The unaudited pro forma combined earnings per share value, in the Combined Business Pro Forma column below, is computed by dividing pro forma earnings from continuing operations available to holders of McDermott shares by the pro forma weighted average number of shares outstanding. The unaudited pro forma combined net book value per share is computed by dividing total pro forma stockholders' or shareholders' equity by the pro forma number of shares outstanding at the end of the period.

	Year Ended December 31, 2017			
	McDermott		CB&I	
	Historical	Combined Business Pro Forma	Historical	Equivalent Pro Forma <sup>(1)</sup>
<b>Prior to reverse stock split</b>				
Basic income (loss) per share from continuing operations	\$ 0.65	\$ (2.52)	\$ (13.40)	\$ (6.23)
Diluted income (loss) per share from continuing operations	0.63	(2.52)	(13.40)	(6.23)
Cash dividends per share			0.14	
Book value per share at period end <sup>(2)</sup>	6.30	6.93	2.15	17.13
<b>Effect of the reverse stock split</b>				
Basic income (loss) per share from continuing operations	1.95	(7.56)		
Diluted income (loss) per share from continuing operations	1.89	(7.56)		
Book value per share at period end	18.90	20.79		

(1) Pro forma CB&I equivalent per share amounts were calculated by multiplying the pro forma combined per share amounts by the Exchange Offer Ratio of 2.47221 provided for in the Business Combination Agreement.

(2) Historical book value per share is computed by dividing shareholders' equity by the number of shares of McDermott Common Stock or CB&I Common Stock outstanding. Pro forma combined book value per share is computed by dividing pro forma combined stockholders' or shareholders' equity by the pro forma number of shares of McDermott Common Stock outstanding.





**Table of Contents****FINANCING OF THE COMBINATION****Overview**

On December 18, 2017, in connection with the Business Combination Agreement, McDermott entered into or received commitment letters (including the exhibits and other attachments thereto, and together with any amendments, modifications or supplements thereto, the Commitment Letters ) from certain financial institutions to provide debt financing for the Combination. Barclays Bank PLC ( Barclays ), Crédit Agricole Corporate and Investment Bank ( CACIB ), Goldman Sachs Bank USA ( GS ), ABN AMRO Capital USA LLC ( ABN ), Royal Bank of Canada ( RBC ), The Bank of Tokyo-Mitsubishi UFJ, Ltd. ( BTMU ) and Standard Chartered Bank ( Standard Chartered ) are arrangers and/or agents for the debt financing and have provided commitments in respect thereof (Barclays, CACIB, GS, ABN, RBC, BTMU and Standard Chartered, together with the other commitment parties are collectively referred to in this document as the Commitment Parties ). The following is a description of the principal terms of the indebtedness contemplated by the Commitment Letters as in effect on the date hereof.

In connection with the Combination, McDermott expects to engage in the following financing activities:

the entry into a senior secured revolving credit facility in an aggregate principal amount of \$1.0 billion (the Revolving Credit Facility );

the entry into a senior secured letter of credit facility in the aggregate face amount of \$1.3 billion (the LC Facility );

The entry into one or more senior secured term loan facilities in the aggregate principal amount of \$2.15 billion (the Term Loan Facilities and, together with the Revolving Credit Facility and the LC Facility, the Senior Credit Facilities ), a portion of which will be cash collateralized to backstop letters of credit; and

the issuance by McDermott or one or more of its subsidiaries of senior unsecured debt securities in a private placement in the aggregate principal amount of \$1.5 billion (the Notes ).

Prior to the Closing Date, McDermott may elect to decrease the commitments under the Term Loan Facilities to match any concurrent incremental commitments it receives from financial institutions in respect of the LC Facility (subject to a maximum LC Facility face amount of \$1.7 billion). McDermott utilized this election provision in February 2018 when RBC became one of the Commitment Parties, thereby decreasing the commitments under the Term Loan Facilities by \$100 million to an aggregate principal amount of \$2.15 billion and increasing the commitments under the LC Facility by \$100 million to an aggregate face amount of \$1.3 billion.

Pursuant to the Commitment Letters, certain of the Commitment Parties have committed to provide, subject to the terms and conditions set forth therein, (i) the Senior Credit Facilities and (ii) senior unsecured bridge facilities in an aggregate principal amount of up to \$1.5 billion, the availability of which will be subject to reduction upon the issuance of the Notes pursuant to the terms set forth in the Commitment Letters (the Bridge Facilities and, together with the Senior Credit Facilities, the Facilities ).

The terms of the Facilities will be set forth in definitive loan documentation consistent with the terms set forth in the Commitment Letters and specified documentation standards. The Commitment Parties' commitments are subject to the satisfaction of certain conditions, including: (1) the execution and delivery of definitive documentation with respect to the Facilities in accordance with the terms sets forth in the Commitment Letters; (2) the substantially concurrent consummation of the Combination in accordance with the Business Combination Agreement; and (3) the absence of any material adverse effect with respect to CB&I's business.

The total amount of funds currently estimated to be required by McDermott to consummate the Combination, including to fund the CB&I Technology Acquisition, to fund cash payments in respect of outstanding CB&I

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Performance Share Awards and dividend equivalents associated with certain CB&I Restricted Stock Unit Awards and to repay certain indebtedness of McDermott and CB&I is approximately \$2.8 billion, excluding related fees and expenses. McDermott anticipates funding such cash requirements from McDermott's available cash on hand and proceeds from the Facilities described below.

**Senior Credit Facilities*****Use of Proceeds***

The proceeds of the Senior Credit Facilities will be used as of the closing of the Combination to: (1) fund the transactions contemplated under the Combination; (2) pay fees and expenses in connection with the Combination; and (3) repay all existing material indebtedness for borrowed money of McDermott and CB&I and their respective subsidiaries (the Existing Funded Debt) and replace, backstop or cash collateralize letters of credit issued under the facilities being terminated in connection with such repayment and certain bilateral credit facilities. The Revolving Credit Facility and the LC Facility may also be used by McDermott for working capital purposes, letters of credit and other liquidity needs on and following the Closing Date.

Specifically, the full amount of the Term Loan Facilities and, if the full amount of the Notes are not issued, the Bridge Facilities (as reduced by the amount of the Notes that are issued) will be drawn on the Closing Date to fund the Combination, the repayment of the Existing Funded Debt, the cash collateralization of existing performance and financial letters of credit of the combined business and the payment of fees and expenses in connection therewith. In addition, on the Closing Date, performance and financial letters of credit will be available under the Revolving Credit Facility (subject to a sub-limit for financial letters of credit of \$200 million) and performance letters of credit will be available under the LC Facility, in each case to backstop or replace existing letters of credit of the combined business, and up to \$75 million of loans will be available under the Revolving Credit Facility on the Closing Date to fund McDermott's working capital needs.

***Interest and Letter of Credit Participation Fees***

At the option of McDermott, amounts outstanding under the Term Loan Facilities are expected to bear interest at either a base rate (the highest of the prime rate, the Federal Funds rate plus 0.50%, or the 30-day Eurodollar Rate plus 1.0%) or the reserve-adjusted Eurodollar rate (the Eurodollar Rate), plus, in each case, an applicable margin per annum equal to 3.75% in respect of base rate loans and 4.75% in respect of Eurodollar loans. In addition, at the option of McDermott, amounts outstanding under the Revolving Credit Facility and the LC Facility are expected to bear interest at either a base rate or the Eurodollar Rate, plus, in each case, an applicable margin per annum that will range from 2.75% to 3.25% based on McDermott's leverage in respect of amounts that accrue interest at the base rate and from 3.75% to 4.25% based on McDermott's leverage in respect of amounts that accrue interest at the Eurodollar Rate.

With respect to all letters of credit outstanding under the Revolving Credit Facility and the LC Facility, we expect to be charged a participation fee of (i) between 3.75% and 4.25% per year in respect of financial letters of credit and (ii) between 1.875% and 2.125% per year in respect of performance letters of credit, in each case depending on McDermott's leverage ratio.

***Maturity and Amortization***

The Term Loan Facilities are expected to mature on the seventh anniversary of the Closing Date unless the maturity date under the Revolving Credit Facility or the LC Facility is earlier than the fifth anniversary of the Closing Date, in which case the Term Loan Facilities are expected to mature on the sixth anniversary of the Closing Date. The

outstanding principal amount under the Term Loan Facilities will be payable in equal quarterly amounts of 1.00% per annum, with the remaining balance payable on the maturity date thereof.

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Each of the Revolving Credit Facility and the LC Facility is expected to mature on the fifth anniversary of the Closing Date. The outstanding principal amount of the loans under the Revolving Credit Facility will be due on the maturity date of the Revolving Credit Facility.

McDermott intends to reduce its funded indebtedness over time, with cash flows from operations. Except for that intention, no plans have been made with respect to repayment of indebtedness under the Senior Credit Facilities or the Notes.

***Guarantees and Security***

The Commitment Letters provide that the borrowers' obligations under the Senior Credit Facilities and certain hedging arrangements and cash management arrangements of McDermott and its subsidiaries entered into with the agents and lenders under the Senior Credit Facilities will be unconditionally guaranteed, jointly and severally, by McDermott and each of its existing and subsequently acquired or organized direct or indirect wholly owned restricted subsidiaries (other than certain excluded subsidiaries as more fully described in the Commitment Letters) (McDermott and such subsidiary guarantors, the Guarantors). In addition, the Commitment Letters provide that subject to certain agreed-upon collateral principles and the exclusion of certain assets as more fully described in the Commitment Letters, the obligations of the borrowers and Guarantors under the Senior Credit Facilities and the above-mentioned hedging arrangements and cash management arrangements will be secured by first priority liens on and security interests in substantially all of the present and after-acquired assets of the borrowers and the Guarantors.

***Prepayments***

The Commitment Letters provide that borrowers under the Senior Credit Facilities will be required to make the following mandatory prepayments in respect of the Term Loan Facilities (consistent with specified documentation standards): (1) 100% of the net cash proceeds from the incurrence of indebtedness not otherwise permitted under the definitive documentation for the Term Loan Facilities; (2) 100% of the net cash proceeds from asset sales and insurance and condemnation proceeds, subject to thresholds and customary reinvestment rights; and (3) commencing with the fiscal year ending December 31, 2018, 50% of McDermott's excess cash flow (subject to reductions to 25% and 0% based on McDermott's senior secured leverage).

In addition, the borrowers under the Senior Credit Facilities will be permitted at any time to make voluntary prepayments of the loans under the Senior Credit Facilities without premium or penalty, subject only to the obligation to reimburse the lenders thereunder for breakage costs and, in the case of a repricing event under the Term Loan Facilities occurring on or before the date that is six months after the Closing Date that results in a reduction of the effective interest rate under the Term Loan Facilities, a prepayment premium of 1.0% of the principal amount of loans under the Term Loan Facilities subject to such repricing event.

***Representations, Covenants and Events of Default***

The Commitment Letters provide that the Senior Credit Facilities will contain (consistent with the specified documentation standards): (1) various representations and warranties and affirmative covenants; (2) several negative covenants, including limitations on incurring indebtedness, liens, fundamental changes, asset sales, investments, dividends and repayment of certain indebtedness, sale leasebacks, amendments to organizational documents and certain other material agreements and change of business, in each case with baskets, thresholds and exceptions to be agreed; and (3) specified events of default, including for nonpayment of principal and interest, breach of affirmative or negative covenants, certain cross defaults, change in control, bankruptcy events, certain ERISA and pension plan events, certain unsatisfied judgments, invalidity of guarantees or security documents and the loss of perfection with

respect to collateral, in each case with grace periods, thresholds and exceptions to be agreed. In addition, each of the Revolving Credit Facility and the LC Facility will require compliance with financial maintenance covenants requiring: (1) a minimum fixed charge coverage ratio at the

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end of each fiscal quarter; (2) a maximum leverage ratio at the end of each fiscal quarter; and (3) minimum liquidity as of the last day of each fiscal quarter.

## **Notes**

McDermott expects to issue \$1.5 billion of Notes in lieu of the Bridge Facilities prior to or concurrently with the consummation of the Combination. The Notes are expected to consist of two issuances, the first of which is expected to be in an aggregate principal amount of \$950 million and mature on the sixth anniversary of the Closing Date (the Six-Year Notes ). The second issuance is expected to be in an aggregate principal amount of \$550 million and mature on the eighth anniversary of the Closing Date (the Eight-Year Notes ). However, the terms of the Notes are not committed and will depend on market conditions at the time of issuance. The proceeds from the issuance of the Notes will be used to finance in part the Combination, the repayment of Existing Funded Debt and to pay fees and expenses in connection with the Combination.

## **Bridge Facilities**

In the event that the gross cash proceeds from the issuance of the Six-Year Notes are less than \$950 million, McDermott intends to enter into a senior unsecured bridge loan facility (the Six-Year Bridge Facility ) in an aggregate principal amount of \$950 million (less the net cash proceeds received in connection with the Six-Year Notes). The loans under the Six-Year Bridge Facility will bear interest at the Eurodollar Rate plus an applicable margin that increases over time up to a specified maximum amount. The loans under the Six-Year Bridge Facility will initially mature on the first anniversary of the Closing Date, but they will automatically convert into extended term loans maturing on the six-year anniversary of the Closing Date if certain conditions are met.

The Six-Year Bridge Facility will be subject to affirmative and negative covenants and events of default consistent with the specified documentation standards and will not contain any financial maintenance covenants.

Furthermore, in the event that the gross cash proceeds from the issuance of the Eight-Year Notes are less than \$550 million, McDermott intends to enter into a senior unsecured bridge loan facility (the Eight-Year Bridge Facility ) in an aggregate principal amount of \$550 million (less the net cash proceeds received in connection with the Eight-Year Notes). The loans under the Eight-Year Bridge Facility will bear interest at the Eurodollar Rate plus an applicable margin that increases over time up to a specified maximum amount. The loans under the Eight-Year Bridge Facility will initially mature on the first anniversary of the Closing Date, but they will automatically convert into extended term loans maturing on the eight-year anniversary of the Closing Date if certain conditions are met.

The Eight-Year Bridge Facility will be subject to affirmative and negative covenants and events of default consistent with the specified documentation standards and will not contain any financial maintenance covenants.

## **Bilateral Credit Facilities**

Both McDermott and CB&I are parties to a number of short-term uncommitted bilateral credit facilities (the Uncommitted Facilities ) across several geographic regions. The Uncommitted Facilities generally are used to provide letters of credit or bank guarantees to customers in support of advance payments and performance in the ordinary course of business. Our expectation is that a number of the Uncommitted Facilities will continue to remain in place following the Closing Date. However, the proceeds from, and letters of credit issued under, the Senior Credit Facilities may be used to replace, backstop or otherwise cash collateralize existing obligations under certain of the Uncommitted Facilities.





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**UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS**

The following unaudited pro forma combined financial statements have been prepared to reflect the acquisition of CB&I by McDermott. Unaudited Pro Forma Combined Statements of Operations for the year ended December 31, 2017 combine the historical Consolidated Statements of Operations of McDermott and CB&I, giving effect to the Combination as if it had occurred on January 1, 2017. The Unaudited Pro Forma Combined Balance Sheet as of December 31, 2017 combines the historical Consolidated Balance Sheets of McDermott and CB&I, giving effect to the Combination as if it had occurred on December 31, 2017. The historical Consolidated Statements of Operations and Consolidated Balance Sheets of McDermott and CB&I have been adjusted in the Unaudited Pro Forma Combined Financial Statements to give effect to pro forma events that are: (1) directly attributable to the Combination; (2) factually supportable; and (3) with respect to the statements of operations, expected to have a continuing impact on the combined results. The Unaudited Pro Forma Combined Financial Statements should be read in conjunction with the accompanying notes to the Unaudited Pro Forma Combined Financial Statements. In addition, the Unaudited Pro Forma Combined Financial Statements were based on and should be read in conjunction with the:

separate historical Consolidated Financial Statements of McDermott as of and for the year ended December 31, 2017 and the related notes included in McDermott's Annual Report on Form 10-K for the year ended December 31, 2017 (the McDermott 2017 Form 10-K), which is incorporated by reference into this document; and

separate historical Consolidated Financial Statements of CB&I as of and for the year ended December 31, 2017 and the related notes included in CB&I's Annual Report on Form 10-K for the year ended December 31, 2017 (the CB&I 2017 Form 10-K), which is incorporated by reference into this document.

The Unaudited Pro Forma Combined Financial Statements are not necessarily indicative of what the combined business' financial position or results of operations actually would have been had the Combination been completed as of the dates indicated. In addition, the Unaudited Pro Forma Combined Financial Statements do not purport to represent the future financial position or operating results of the combined business.

The Unaudited Pro Forma Combined Financial Statements have been prepared using the acquisition method of accounting under U.S. generally accepted accounting principles, and the regulations of the SEC. McDermott and CB&I did not have material transactions between them during the periods presented in the Pro Forma Combined Financial Statements. McDermott will be considered the acquirer in the Combination for accounting purposes. The acquisition accounting is dependent upon certain valuations and other studies that have yet to commence or progress to a stage where there is sufficient information for a definitive measurement. Accordingly, the pro forma adjustments are preliminary and have been made solely for the purpose of providing these Unaudited Pro Forma Combined Financial Statements. Differences between these preliminary estimates and the final acquisition accounting will occur, and these differences could be material and could have a material impact on the future results of operations and financial position of the combined business.

The Unaudited Pro Forma Combined Financial Statements do not reflect any cost savings, operating synergies or revenue enhancements that the combined business may achieve as a result of the Combination, any costs to integrate the operations of McDermott and CB&I, or any costs necessary to achieve any such cost savings, operating synergies or revenue enhancements.



**Table of Contents****COMBINED McDERMOTT INTERNATIONAL, INC.****UNAUDITED PRO FORMA COMBINED STATEMENTS OF OPERATIONS****FOR THE YEAR ENDED DECEMBER 31, 2017****(in millions, except per share and per share amounts)**

	<b>MDR</b>	<b>CB&amp;I</b>	<b>Pro Forma Adjustments</b>	<b>Note 4</b>	<b>Pro Forma Combined</b>
Revenues	\$ 2,985	\$ 6,673	\$		\$ 9,658
Costs and Expenses:					
Cost of operations	2,449	6,666	(41)	(l)	9,074
Intangibles amortization		26	192	(m)	218
Income from Investments in Unconsolidated Affiliates		(48)	48	(n)	
Research and development expenses	5		27	(l)	32
Selling, general and administrative expenses	199	275			474
Restructuring expenses		114			114
Other operating expense (income)	7	(65)			(58)
Total costs and expenses	2,660	6,968	226		9,854
Operating income (loss)	325	(295)	(226)		(196)
Other expense:					
Interest expense, net	(63)	(226)	(60)	(o)	(349)
Other non-operating expense, net	(1)				(1)
Total other expense, net	(64)	(226)	(60)		(350)
Income (loss) before provision for income taxes	261	(521)	(286)		(546)
Income tax expense (benefit)	69	799	(83)	(p)	785
Income (loss) before income (loss) from Investments in Unconsolidated Affiliates	192	(1,320)	(203)		(1,331)
(Loss) income from Investments in Unconsolidated Affiliates	(14)		48	(n)	34
Net income (loss) from continuing operations	178	(1,320)	(155)		(1,297)
	(1)	33			32

Less: Net (loss) income  
attributable to noncontrolling  
interest

Net income (loss) from continuing  
operations attributable to the  
business

\$	179	\$(1,353)	\$	(155)	\$	(1,329)
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Net income (loss) per share<sup>(1)</sup>

Basic	\$	0.65	\$	(2.52)
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Diluted	\$	0.63	\$	(2.52)
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Shares used in the computation of  
net income (loss) per share:

Basic	273,337,931	253,613,487	(q)	526,951,418
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Diluted <sup>(2)</sup>	285,634,757	253,613,487	(q)	526,951,418
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(1) Effects of the proposed McDermott Reverse Stock Split are described in Comparative Historical and Pro Forma Per Share Information in this document.

(2) For pro forma computation of basic and diluted earnings per common share, diluted number of shares equals basic number of shares due to net pro forma loss position.

See accompanying notes to Unaudited Pro Forma Combined Financial Statements.

**Table of Contents****COMBINED MCDERMOTT INTERNATIONAL, INC.****UNAUDITED PRO FORMA COMBINED BALANCE SHEET****December 31, 2017****(In millions)**

	<b>McDermott</b>	<b>CB&amp;I</b>	<b>Preliminary Purchase Price Allocation</b>	<b>Note 4</b>	<b>Other Pro Forma Adjustments</b>	<b>Note 4</b>	<b>Pro Forma Combined</b>
<b>Assets</b>							
Current assets:							
Cash and cash equivalents	\$ 390	\$ 355	\$ (16)	(a)	\$ 112	(a)	\$ 841
Restricted cash and cash equivalents	18				412	(b)	430
Accounts receivable trade, net	328	760					1,088
Accounts receivable other	41						41
Inventory		102					102
Contracts in progress	621	316					937
Assets held for sale		18					18
Other current assets	36	281			(6)	(c)	311
<b>Total current assets</b>	<b>1,434</b>	<b>1,832</b>	<b>(16)</b>		<b>518</b>		<b>3,768</b>
Property, plant and equipment, net	1,666	419					2,085
Accounts receivable long-term retainages	39						39
Goodwill		2,836	247	(d)			3,083
Other intangible assets		196	1,577	(e)			1,773
Investments in Unconsolidated Affiliates	8	206					214
Deferred income taxes	18						18
Other assets	58	483			31	(f)	572
<b>Total assets</b>	<b>\$ 3,223</b>	<b>\$ 5,972</b>	<b>\$ 1,808</b>		<b>\$ 549</b>		<b>\$ 11,552</b>
<b>Liabilities and Equity</b>							
Current liabilities:							
Current debt	\$ 24	\$ 1,160	\$		\$ (1,145)	(g)	\$ 39
Revolver borrowings		1,102			(1,102)	(g)	
Accounts payable	279	972					1,251
Accrued and other current liabilities	337	752			(77)	(h)	1,012
Advance billings on contracts	32	1,276					1,308
Income taxes payable	35				42	(h)	77

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Total current liabilities	707	5,262			(2,282)		3,687
Long-term debt	513				2,976	(g)	3,489
Self-insurance liabilities	16				73	(i)	89
Pension liabilities	14				209	(i)	223
Non-current income taxes	63	64			(48)	(i)	79
Other liabilities	121	428	17	(j)	(234)	(i)	332
Commitments and contingencies							
Stockholders' equity:							
Common stock	293	1	253	(k)			547
Capital in excess of par value	1,663	743	865	(k)	9	(k)	3,280
Accumulated deficit	(48)	(102)	102	(k)	(154)	(k)	(202)
Accumulated other comprehensive loss	(51)	(316)	316	(k)			(51)
Treasury stock	(96)	(255)	255	(k)			(96)
Stockholders' Equity	1,761	71	1,791	(k)	(145)		3,478
Noncontrolling interest	28	147					175
Total equity	1,789	218	1,791		(145)		3,653
Total liabilities and equity	\$ 3,223	\$ 5,972	\$ 1,808		\$ 549		\$ 11,552

See accompanying notes to Unaudited Pro Forma Combined Financial Statements.

**Table of Contents****NOTES TO THE UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS****Note 1 Business Combination Agreement with Chicago Bridge & Iron Company N.V. ( CB&I )**

On December 18, 2017, McDermott International, Inc. ( McDermott ), Chicago Bridge & Iron Company N.V. ( CB&I ) and certain of their respective subsidiaries entered into a Business Combination Agreement (as it may be amended or supplemented from time to time, the Business Combination Agreement ), pursuant to which CB&I and McDermott will combine through a series of transactions (the Combination ). The Business Combination Agreement has been approved by the McDermott Board, the Management Board of CB&I and the Supervisory Board of CB&I.

Upon completion of the Combination, McDermott stockholders are expected to own approximately 53 percent of the combined business on a fully diluted basis and CB&I shareholders are expected to own approximately 47 percent, assuming all CB&I shareholders participate in the Exchange Offer (such that their share ownership would not be reduced as a result of withholding for the Dutch Dividend Withholding Tax). Under the terms of the Business Combination Agreement, McDermott Technology, B.V. will complete an offer (the Exchange Offer ) to exchange all issued and outstanding shares of CB&I Common Stock for shares of McDermott Common Stock at the Exchange Offer Ratio (as defined herein). As a result of the remaining steps of the Combination, CB&I shareholders who do not validly tender in (or who properly withdraw their shares of CB&I Common Stock from) the Exchange Offer and, as a result of the Merger, become CB&I Newco shareholders will be entitled to receive 2.47221 shares of McDermott Common Stock for each share of CB&I Common Stock owned (or 0.82407 shares if McDermott effects a proposed three-to-one reverse stock split prior to the closing of the Combination) (the Exchange Offer Ratio ), together with cash in lieu of fractional shares and subject to any applicable withholding taxes. The consideration per share of CB&I Common Stock to be received pursuant to the remaining steps in the Combination is the same as in the Exchange Offer, except that the receipt of shares of McDermott Common Stock pursuant to the Liquidation as defined on page 54, generally will be subject to Dutch Dividend Withholding Tax.

The Combination involves a series of transactions resulting in the sale of CB&I s entire business. In addition, certain subsidiaries of McDermott will complete an acquisition transaction, pursuant to which they will acquire for cash, the equity of certain CB&I subsidiaries that own CB&I s technology business (the CB&I Technology Acquisition ). The cash proceeds to be paid by such McDermott entities in connection with the CB&I Technology Acquisition, in the aggregate amount of \$2.65 billion, will be used to fund the repayment of all the outstanding funded indebtedness of CB&I and its subsidiaries and to provide for future working capital needs of those entities (or their successors). In accordance with Accounting Standards Codification ( ASC ) Topic ASC 805, *Business Combinations* ( ASC Topic 805 ), the CB&I Technology Acquisition will be accounted for using the acquisition method of accounting. See Note 4, *Pro Forma Adjustments*, item (j), *Deferred Taxes*, for further tax accounting discussion.

In connection with the Combination, on December 18, 2017, McDermott entered into commitment letters (as amended, the Commitment Letters ), pursuant to which Barclays Bank PLC, Crédit Agricole Corporate and Investment Bank, Goldman Sachs Bank USA and other lenders (collectively, the Commitment Parties ) have committed to provide certain debt financing for the Combination. The Commitment Letters provide for one or more fully committed senior secured term loan facilities in the aggregate principal amount of \$2.15 billion (the Term Facilities ), a \$1.0 billion senior secured revolving credit facility (the Revolving Facility ), a \$1.3 billion senior secured letter of credit facility (the LC Facility ) and, together with the Term Facilities and the Revolving Facility, the Senior Credit Facilities ) and fully committed senior unsecured bridge facilities in an aggregate principal amount of \$1.5 billion (the Bridge Facility ), the availability of which is subject to reduction upon McDermott s issuance of notes in a private placement or equity securities pursuant to the terms set forth in the Commitment Letters.





**Table of Contents****Note 2 Basis of Presentation**

The historical Consolidated Statements of Operations and Consolidated Balance Sheets of McDermott and CB&I have been adjusted in the Unaudited Pro Forma Combined Financial Statements to give effect to pro forma events that are: (1) directly attributable to the Combination; (2) factually supportable; and (3) with respect to the pro forma combined statements of operations, expected to have a continuing impact on the combined results following the Combination.

The Combination is being accounted for using the acquisition method of accounting in accordance with ASC Topic 805.

McDermott is considered the accounting acquirer based on the following facts: (1) upon completion of the Combination its stockholders are expected to own approximately 53 percent of the combined business on a fully diluted basis; (2) a group of its current directors, including Non-Executive Chairman of the McDermott Board, will constitute a majority of the Board of Directors; and (3) its current President and Chief Executive Officer of McDermott and its current Executive Vice President and Chief Financial Officer will continue in these roles following the closing of the Combination. CB&I's President and Chief Executive Officer will remain with the combined business for a transition period.

As the acquirer for accounting purposes, McDermott has estimated the fair value of CB&I's assets acquired and liabilities assumed.

The accounting policies used in the preparation of these Pro Forma Combined Financial Statements are those set out in McDermott's audited Consolidated Financial Statements included in the McDermott 2017 Form 10-K. For a discussion of changes in McDermott's revenue recognition policy, effective as of January 1, 2018, see Note 3, *Revenue Recognition*, to the Consolidated Financial Statements of McDermott included in the McDermott 2017 Form 10-K. Based on a preliminary review of CB&I's accounting policy disclosures set forth in the CB&I 2017 Form 10-K, supplemented by discussion with CB&I's senior financial management, the following preliminary policy differences were identified:

*Pension and post-retirement benefit plans* McDermott immediately recognizes actuarial gains and losses in earnings in the fourth quarter of each year as a component of pension expense. CB&I recognizes pension actuarial gains and losses as a component of accumulated other comprehensive income (loss) in Shareholders' Equity and amortizes those gains and losses into earnings over the average future service period, or the average remaining life expectancy, of the plan participants.

*Reclassifications* Certain reclassifications have been made to CB&I's historical consolidated financial statements to conform to McDermott's presentation.

Determining the impact of aligning CB&I's accounting policies with those of McDermott will require a detailed analysis. This analysis has not been completed. Based on its preliminary analysis, McDermott has not identified any other differences that would have a material impact on the Unaudited Pro Forma Combined Financial Statements. Until the Combination is complete, we will not have full access to all relevant information and will not have completed our evaluation. As a result, the Unaudited Pro Forma Combined Financial Statements reflect no adjustments for differences in accounting policies, except as described in the immediately preceding paragraph. Following completion of the Combination, McDermott will perform a detailed review of CB&I's accounting policies. As a result of that review, McDermott may identify differences between the accounting policies of the two companies

that, when conformed, could have a material impact on the consolidated financial statements of the combined business.

**Note 3 Preliminary Purchase Price Allocation**

The Unaudited Pro Forma Combined Balance Sheets have been adjusted to reflect the allocation of the preliminary estimated purchase price to identifiable assets to be acquired and liabilities to be assumed, with the excess recorded as goodwill. The purchase price allocation in these Unaudited Pro Forma Combined Financial Statements is based upon an estimated purchase price of approximately \$2,025 million and results in goodwill of approximately \$3,083 million.

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The final purchase price will be determined using the trading price of shares of McDermott Common Stock on the Closing Date. Therefore, the estimated purchase price will fluctuate with the market price of shares of McDermott Common Stock until the Closing Date. As a result, the final purchase price could differ significantly from the current estimate, which could materially impact the consolidated financial statements of the combined business.

The following table summarizes the components of the estimated Combination consideration reflected in the Unaudited Pro Forma Combined Financial Statements (in millions, except share and per share amounts):

	<b>Calculation of Combination Consideration</b>
CB&I shares outstanding (at February 21, 2018)	102,519,559
Restricted stock units held by Directors <sup>(1)</sup>	66,179
<b>Total CB&amp;I shares for Combination consideration</b>	<b>102,585,738</b>
Conversion Ratio (without share split): 1 CB&I share = 2.47221 McDermott shares	253,613,487
McDermott stock price on February 21, 2018	\$ 7.34
<b>Total estimated Combination consideration, excluding non-controlling interests</b>	<b>\$ 1,862</b>
CB&I noncontrolling interests	147
Cash settled awards <sup>(2)</sup>	16
<b>Total Combination consideration, including noncontrolling interests</b>	<b>\$ 2,025</b>

(1) These CB&I restricted stock units will vest prior to the closing and will be outstanding shares that will be replaced through the issuance of shares of McDermott Common Stock and meet the criteria under ASC 805 to be accounted for as part of Combination consideration.

(2) Represents CB&I outstanding performance share awards to be settled in cash upon the Combination. Cash settled awards meet the criteria under ASC 805 to be accounted for as part of Combination consideration. The amount of the cash settled awards payment was calculated in accordance with the Business Combination Agreement and is included as an adjustment to cash on the Pro Forma Balance Sheet.

A 10% fluctuation in the market price of shares of McDermott Common Stock would affect the consideration by approximately \$200 million, with a corresponding change to goodwill related to the Combination.

The following table summarizes the preliminary allocation of Combination consideration to the identifiable assets acquired and liabilities assumed of CB&I (in millions):

<b>1 Estimated Combination consideration, including NCI</b>	<b>\$ 2,025</b>
Carrying value of CB&I's net assets as of December 31, 2017	218
Less: Pre-existing CB&I goodwill	(2,836)
Less: Pre-existing CB&I other intangible assets	(196)

<b>2</b>	<b>Adjusted book value of (liabilities assumed), net of assets acquired</b>	<b>(2,814)</b>
	<b>Purchase accounting adjustments:</b>	
	Estimated identifiable intangible assets at fair value (see note 4 (e))	1,773
	Deferred tax liability impact of intangible assets fair value adjustments, net operating losses and carryforward interest deductions (see note 4(j))	(17)
<b>3</b>	<b>Fair value of identifiable net assets acquired</b>	<b>1,756</b>
	<b>Goodwill generated from the Combination (1-2-3)</b>	<b>\$ 3,083</b>

Other than the items listed above, we have assumed that the fair value of all assets and liabilities equal their respective carrying values. Until the Combination is complete, we will not have full access to all relevant information and will not have completed our evaluation. As a result, fair value estimates are preliminary and subject to change.

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The final allocation of Combination consideration will be determined when we have completed the detailed valuations and necessary calculations. The final allocation could differ materially from the preliminary allocation used in the pro forma adjustments. The final allocation may include: (1) changes in fair values of property, plant and equipment; (2) changes in fair values of intangible assets such as trade names, technology and customer relationships; (3) other changes to assets and liabilities; and (4) changes in goodwill.

**Note 4 Pro Forma Adjustments**

The pro forma adjustments are based on McDermott's preliminary estimates and assumptions that are subject to change. The following adjustments have been reflected in the Unaudited Pro Forma Combined Financial Statements:

- (a) *Cash and cash equivalents* Adjustment to cash resulting from settlement of change-in-control payments and refinancing of pre-existing debt obligations of McDermott and CB&I upon the completion of the Combination, as follows (in millions):

<b>1</b>	Cash and cash equivalents	
	McDermott	\$ 390
	CB&I	355
		745
<b>2</b>	Preliminary Purchase Price Allocation adjustment Payment of cash settled awards (Note 3)	(16)
<b>3</b>	New financing (note (g)):	
	Term Facilities	2,150
	Bridge Facility	1,500
		3,650
<b>4</b>	Uses:	
	Repayment of certain pre-existing debt obligations, not including \$12 million of debt issuance cost (item (g)) <sup>(1)</sup>	(2,794)
	Cash collateralized letters of credit funded by the Term Facilities (item (b))	(412)
	Debt issuance cost associated with Term and Bridge Facilities (item (g))	(139)
	Advisory fees (item (k))	(105)
	Pre-existing CB&I debt obligations prepayment penalty <sup>(2)</sup>	(35)
	Pre-existing MDR debt obligations prepayment penalty (item (k))	(10)
	Debt issuance cost associated with new Revolving Facility (item (f))	(31)
	Double trigger change in control payments (item (k))	(12)
		(3,538)
<b>5</b>	Other Pro Forma Adjustments (3+4)	112
	<b>Pro Forma Combined Cash and Cash Equivalents Balance (1+2+5)</b>	<b>\$ 841</b>

- (1) Excludes \$17 million of McDermott's pre-existing debt that will be repaid according to original contractual terms.
  - (2) CB&I has accrued and expensed this amount in its consolidated financial statements as of December 31, 2017.
- (b) *Restricted cash and cash equivalents* Represents cash collateralized letters of credit funded by the Term Facilities.
- (c) *Other current assets* Represents the write-off of \$6 million of capitalized debt issuance cost associated with CB&I's pre-existing revolving credit facilities.
- (d) *Goodwill* Reflects elimination of \$2,836 million of CB&I pre-existing goodwill and preliminary recognition of \$3,083 million of goodwill attributable to the Combination. See Note 3, *Preliminary Purchase Price Allocation*.

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- (e) *Other intangible assets* Reflects elimination of CB&I's pre-existing intangible assets and recognition of the estimated preliminary fair value of identifiable intangible assets attributable to the Combination. See Note 3, *Preliminary Purchase Price Allocation*. The estimated preliminary fair value of identifiable intangible assets attributable to the Combination is comprised of the following (in millions):

	Fair Value	Amortization Expense Year Ended December 31, 2017	Useful Lives
Process technologies <sup>(1)</sup>	\$ 911	\$ 61	15 years
Customer relationships <sup>(2)</sup>	631	32	20 years
Backlog <sup>(2)</sup>	180	120	1.5 years
Trade names <sup>(1)</sup>	51	5	10 years
<b>Total estimated preliminary fair value of identifiable intangible assets</b>	<b>\$ 1,773</b>	<b>\$ 218</b>	
CB&I's pre-existing intangible assets	(196)		
<b>Pro forma adjustment to intangible assets</b>	<b>\$ 1,577</b>		

- (1) The estimated fair values for process technologies and trade names were measured using the relief-from-royalty method. This method assumes the developed technology and trade names have value to the extent the owner is relieved of the obligation to pay royalties for the benefits received from these assets.
- (2) The estimated fair values for customer relationships and backlog were measured using the excess earnings method.

The use of different assumptions could result in materially different values.

- (f) *Other assets* Represents recognition of \$31 million of debt issuance cost associated with McDermott's new Revolving Facility.
- (g) *Notes payable and Long-term debt* Reflects adjustments related to the refinancing of pre-existing debt obligations of McDermott and CB&I upon the completion of the Combination, as follows (in millions):

Recognize new financing and associated debt issuance cost <sup>(1)</sup> :	
Term Facilities	\$ 2,150
Bridge Facility	1,500
Debt issuance cost	(139)



	<b>3,511</b>
Eliminate pre-existing debt obligations:	
CB&I term loans and notes payable, net of debt issuance cost of \$7 million	(1,160)
CB&I revolving facilities	(1,102)
McDermott long-term debt, net of debt issuance cost of \$5 million <sup>(2)</sup>	(520)
	<b>(2,782)</b>
<b>Pro forma adjustment to debt<sup>(3)</sup></b>	<b>\$ 729</b>

- (1) For a discussion of McDermott's anticipated new financing, see Financing of the Combination.
- (2) Excludes \$17 million of McDermott's pre-existing debt that will be repaid according to original contractual terms.
- (3) Equals to the sum of adjustments (g) to the Pro Forma Balance Sheet: (\$1,145) million, (\$1,102) million and \$2,976 million.

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(h) *Accrued and other current liabilities* Adjustment to: (1) reclassify CB&I's \$42 million of current income taxes payable from Accrued and other current liabilities to Income taxes payable, to conform to McDermott's financial statement presentation; and (2) reduce accrued liabilities by \$35 million due to anticipated settlement of a previously accrued prepayment penalty associated with CB&I's pre-existing debt obligations.

(i) *Other liabilities* Adjustment to: (1) reclassify CB&I's \$73 million of self-insurance reserves, \$209 million of pension and post-retirement liabilities and \$16 million of non-current tax provisions from Other liabilities to Self-insurance liabilities, Pension liabilities and Non-current income taxes, respectively; and (2) reclassify CB&I's \$64 million of deferred tax liabilities from Non-current income taxes to Other liabilities, to conform to McDermott's financial statements presentation.

(j) *Deferred Income Taxes*

*General* As discussed in Note 1, *Business Combination Agreement with Chicago Bridge & Iron Company N.V.* (CB&I), certain of McDermott's wholly owned subsidiaries will acquire for cash the equity of certain CB&I subsidiaries that own CB&I's technology business for approximately \$2.65 billion. This transaction (referred to as the CB&I Technology Acquisition), will result in an approximate \$2 billion taxable gain to a U.S. subsidiary of CB&I. CB&I's U.S. group currently has sufficient net operating loss carryforwards, carryforward interest deductions and other tax attributes which will be utilized to offset the taxable gain resulting from the CB&I Technology Acquisition. The U.S. taxable gain will result in the use of a significant portion of CB&I's U.S. net operating loss deferred tax assets, as of December 31, 2017. As CB&I had recorded a valuation allowance on those deferred tax assets, this results in no impact to the Unaudited Pro Forma Combined Financial Statements.

*Deferred tax liabilities (included in Other liabilities on the Pro Forma Balance Sheet)* Represents the net change in deferred tax liabilities of \$17 million. The adjustment includes: (1) a decrease of \$56 million to eliminate the deferred tax liability balance associated with historical CB&I goodwill and intangible assets; (2) an increase of \$289 million associated with fair value adjustments to intangible assets acquired through the Exchange Offer, utilizing a U.S. tax rate of 21% (based on recently enacted U.S. tax law) and non-U.S. blended tax rate of 24%; and (3) a release of historical CB&I valuation allowance of \$216 million as a result of the increase in deferred tax liabilities associated with the intangible assets previously acquired.

	<b>(In millions)</b>
<b>Deferred tax liabilities (included in Other liabilities on the Pro Forma Balance Sheet)</b>	
Eliminate deferred tax liabilities for goodwill and previously acquired intangible assets	\$ (56)
Add deferred tax liabilities associated with fair value adjustments for intangible assets	