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In July 2017, Vermeer uncovered evidence of substantial and deliberate fraudulent activity by an employee. We immediately presented the findings of our internal investigation to the FBI. Those findings revealed invoices for products Vermeer paid for, but never received. Upon this discovery, the employee, Scott Whitehead, was terminated.

Subsequent investigation, in conjunction with the FBI, revealed strong evidence that this former employee, previously responsible for maintenance management, had engaged in a gradual and deliberate criminal scheme to steal money from Vermeer. Evidence leads us to believe this scheme was in collusion with others outside the company. Based on our understanding, this employee used his role and his knowledge of the company's internal procedures to abuse his purchasing authority to approve the payment of more than 3,000 small, fraudulent invoices in a manner designed to avoid detection.

Today, Scott Whitehead, was charged with crimes for engaging in and benefiting from a criminal scheme to steal more than \$3 million from Vermeer over a period of five years.

We feel deeply betrayed by Whitehead's activities. This discovery has been difficult to comprehend as his actions are in complete conflict with the character and culture Vermeer has proudly built and maintained for nearly 70 years.

This incident does not undermine our confidence in our controls or processes. It was these processes and controls that revealed this conduct and enabled us to address it with immediate action.

The Vermeer team moves forward together with a continued, unwavering commitment to our company, our culture and to our customers we serve.

Because of the ongoing nature of the federal investigation, we are unable to comment further.

A handwritten signature in black ink, appearing to read "Bob Smith".

Bob Smith  
Vice President & General Counsel