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Bremer Financial files lawsuit, asserts Otto Bremer Trust actions are invalid

OBT's purported transfers of Bremer Financial shares violate trust documents and applicable law

SAINT PAUL, Minn. – Bremer Financial Corporation (Bremer Financial), the holding company for Bremer Bank, today announced that it has filed a lawsuit to protect its employees, shareholders and customers, and other local stakeholders from the Otto Bremer Trust's hostile takeover attempt.

On October 28, the Otto Bremer Trust (OBT) announced its purported transfer of approximately 37 percent of Bremer Financial's voting stock to 19 out-of-state hedge funds, with the stated goal of replacing the Bremer Financial board of directors and putting Bremer up for sale. This attempt to seize control of the company from its employee shareholders and deliver it to OBT and its associates violated OBT's organizational documents and applicable law.

After a deliberate process and with the advice of independent advisors, Bremer's board of directors has re-affirmed its determination that a sale of Bremer Financial is not in the best interests of BFC's employees, shareholders, or the communities it serves.

"In filing this lawsuit, the Board is carrying out its fiduciary obligation to ensure that any transfer of Bremer Financial shares is valid and consistent with OBT's and Bremer Financial's organizational documents, which reflect Otto Bremer's vision to harness the power of banking to drive economic growth and to support our communities," said Ronald James, Chairman of the Board of Bremer Financial. Bremer serves communities throughout Minnesota, North Dakota and Wisconsin, including many rural locations first established by Otto Bremer decades ago. Bremer Bank is the fourth-largest bank in Minnesota and the 11th-largest agriculture lender in the nation. For more than 75 years, Bremer has served as a highly successful financial engine for OBT, allowing OBT to fulfill its stated philanthropic goals. In the last 30 years alone, Bremer has paid more than \$750 million in dividends to OBT.

"We are extremely disappointed that OBT's reckless unilateral actions have undermined a partnership that has delivered for the people of Minnesota, North Dakota and Wisconsin for more than 75 years," said Jeanne Crain, Bremer Financial President and CEO and a member of the Board. "Regardless, Bremer will continue to focus on serving our customers, employees and communities with the same heartfelt determination that Otto Bremer instilled in our company when he established it in 1943. I remain confident in Bremer's strategic direction, our sharpened focus on key customer segments and digital innovation, and in our dedicated and innovative team of more than 1,800 employees. Our financial standing continues to be strong and we've implemented important initiatives that will allow us to remain a

key competitor in our markets, strengthen our position into the future and continue to serve our communities.”

The lawsuit:

- Seeks a judgment declaring the purported transfers invalid and enjoining the OBT trustees from transferring Bremer Financial shares or engaging in discussions with potential acquirors of the Company without express authorization from the Bremer Financial board.
- Declares that the OBT trustees breached their fiduciary duties as directors of Bremer Financial by, among other things, sharing confidential Bremer Financial information with potential acquirors without authorization.
- Asserts that the OBT trustees’ bad faith actions and contravention of Board directives constitute shareholder oppression.

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