To: **Eligible Associates and Participants in the Regions Financial Corporation 401(k) Plan**

From: **Christopher Glaub, Corporate Benefits**

Re: **Safe Harbor Notice**
Automatic Enrollment/Automatic Escalation
Employer Stock Diversification Notice
Qualified Default Investment Alternative Notice

Date: **May 10, 2019**

The Internal Revenue Service and the Department of Labor require that this notice regarding the Regions Financial Corporation 401(k) Plan (the "Plan") be provided to eligible associates and participants in the Plan. This notice describes the safe harbor matching contribution formula for 2019 (which allows the Plan to automatically satisfy certain nondiscrimination tests required by the Internal Revenue Code) and other terms and conditions of the Plan.

In the event there is any conflict between this notice and the summary plan description ("SPD") or the legal plan document, the legal plan document will control.

I. Opportunity to Participate in the Plan

All associates, with the exception of seasonal employees and BlackArch associates, are eligible to participate in the Plan. Associates generally can (1) make salary reduction pre-tax contributions and Roth after-tax contributions as of the first day of the payroll period after enrollment is processed, and (2) receive a matching contribution as of the first paycheck of the month following completion of one year of service (as defined in the Plan).

II. Salary Reduction Election

A participant in the Plan may elect to defer a portion of his or her compensation each year instead of receiving the amount in cash. Up to 80% of compensation may be deferred each pay period on a pre-tax and/or Roth after-tax basis. Pre-tax contributions and Roth after-tax contributions are limited to $19,000 for 2019. If a participant is age 50 or older or will reach age 50 in 2019, total contributions are limited to $25,000 (this limit includes a $6,000 "catch-up" contribution).

The deferral amount elected by a participant will be deducted from compensation in accordance with a procedure established by the Administrator. A deferral election may be started, stopped, or changed at any time during the year by logging on to 401k.regions.com or calling the 401(k) Service Center at 1-800-701-8892.

III. Automatic Enrollment Feature

If a participant has elected to contribute less than 2% of his or her compensation to the Plan or has not made an election at all, the participant will be enrolled automatically in the Plan starting with his or her first paycheck in 2019. This means that 2% will be deducted from the participant's compensation on a pre-tax basis and contributed to his or her account. These automatic contributions will be 2% of compensation each pay period. Further, if the participant is eligible to receive a matching contribution, Regions Financial Corporation ("Regions") will match these 2% automatic contributions. However, a participant can choose to defer a different amount, either more than 2% or less than 2%, or nothing at all. *Note that if a participant's deferral election is 1% or 0%, and he or she previously elected to not have Regions increase the deferral election to 2%, the participant's election will not carry over to 2019, but rather, the participant*

will be automatically enrolled with a 2% deferral election for 2019 unless he or she affirmatively elects otherwise.

If Regions automatically enrolls a participant but he or she did not intend to be automatically enrolled, the participant is allowed to withdraw the automatic contributions. The participant must request a refund by calling the 401(k) Service Center at 1-800-701-8892 no later than 90 days after the automatic contributions were withheld from his or her compensation. The refund will not include any matching contributions that may have been made on the automatic contributions and any such matching contributions will be forfeited. Further, the refund will be subject to federal income tax (but not the extra 10% tax that normally applies to early distributions). A request for a refund will be treated as an election to stop making elective deferrals to the Plan unless the participant makes an affirmative election otherwise.

IV. Automatic Increase Feature

If a participant has elected to contribute 2%, 3%, or 4% of his or her compensation to the Plan, the participant's deferral election will be increased automatically by 1% starting with his or her first paycheck in 2019. This means that an additional 1% will be taken from the participant's compensation and contributed to his or her account. Further, if the participant is eligible to receive a matching contribution, Regions will match the additional 1% contribution. However, the participant can choose to defer a different amount or nothing at all. *Note that if a participant's deferral election is 2%, 3%, or 4%, and he or she previously elected to not have Regions increase the deferral election by 1%, the participant's election will <u>not</u> carry over to 2019, but rather, the participant's deferral election will increase by 1% for 2019 unless he or she affirmatively elects otherwise.*

V. Safe Harbor Matching Contribution

Regions will make a safe harbor matching contribution to a participant's account after he or she has completed one year of service. The safe harbor matching contribution equals 100% of salary reduction pre-tax contributions and 100% of Roth after-tax contributions, up to a total of 5% of "compensation." See "VII. Compensation" below for a definition of "compensation." Pre-tax contributions are matched first, and then Roth after-tax contributions are matched, up to 5% of compensation. The 5% matching contribution applies to salary reductions in 2019. The safe harbor matching contribution will be invested in the same investment options selected for elective deferrals. If a participant does not make an investment election, the safe harbor matching contribution will be invested in the Qualified Default Investment Alternative. See "X. "Qualified Default Investment Alternative" for additional information regarding the default investment.

If a participant defers less than 5% of compensation to the Plan, contributions will only be matched up to the percentage he or she choose to contribute. For example, if a participant chooses to defer 3% of compensation, he or she will receive a safe harbor matching contribution on contributions of 3%.

The safe harbor matching contribution is calculated each pay period. However, it is possible that if a participant changes his or her deferral election during the year, some pay periods may have deferrals that are greater than 5% of compensation and some that are less than 5% of compensation. In this case, Regions will "true up" a matching contribution so that following the end of the year, the participant will receive a matching contribution based on total elective deferrals and compensation for the year. For example, assume a participant earns $40,000 per year and defers 12% of compensation for the first 6 months and 0% for the remaining 6 months. At the end of the year, the participant will have earned $40,000 in compensation and deferred $2,400 (12% of $20,000). During the first 6 months, he or she will have received a total matching contribution of $1,000 (5% of $20,000). However, since the participant deferred more than 5% of compensation for the year, Regions will "true up" the matching contribution by giving him or her an additional contribution of $1,000, so the total matching contribution will be $2,000, which is 5% of annual compensation (5% x $40,000). This true up will take place in the first quarter of 2020. If the participant

has less than a year of service, any true up calculation will be based on elective deferrals for the entire year and on compensation earned during the period of time that he or she was eligible for the matching contribution, that is, the portion of the year after the participant has one year of service.

VI. Additional Employer Contributions

In addition to the safe harbor matching contribution, certain participants who are not participating in the Regions Financial Corporation Retirement Plan for Associates will be eligible to receive a non-elective contribution for 2019. The non-elective contribution is an additional contribution made by Regions, and unlike the safe harbor matching contribution, it is not dependent on a participant contributing to the Plan. If a participant is eligible, Regions will provide the non-elective contribution even if he or she doesn't contribute to the Plan. The non-elective contribution is equal to 2% of compensation. In order to be eligible to receive the non-elective contribution, the participant must satisfy all of the following requirements: (1) must have completed one year of service; (2) must earn at least 1,000 hours of service (as defined in the Plan) during 2019; (3) must be employed by Regions on December 31, 2019; and (4) must not be eligible to accrue additional benefits in the Regions Financial Corporation Retirement Plan for Associates. If a participant completes a year of service during 2019 and satisfies all other conditions for receiving a non-elective contribution, he or she will receive a non-elective contribution based on compensation earned in the months after completing one year of service.

The Plan also allows Regions to provide participants with a discretionary matching contribution if authorized by Regions' Board of Directors (the "Board"). Any discretionary matching contribution will be an amount determined by the Board and will be allocated to participants in the same manner as the safe harbor matching contribution. The Board is not required to declare any discretionary matching contribution.

VII. Compensation

For purposes of elective deferrals, the safe harbor matching contribution, and the non-elective contribution, "compensation" has a special meaning. "Compensation" means compensation for the year (or portion of the year during which an individual is a participant) including base pay, overtime pay, shift differential, commissions, cash bonuses paid under a plan, and cash incentives, but excluding special pay such as moving allowances, expense reimbursements, finder's fees, prizes, income from the exercise of stock options (or the lapsing of a restriction on a stock award), amounts paid or accrued under the Plan, and any other deferred compensation. Compensation for purposes of the Plan is limited in 2019 to $280,000.

VIII. Vesting and Distributions

All elective deferrals (salary reduction pre-tax contributions, Roth after-tax contributions, and catch-up contributions) and employer contributions (safe harbor matching contribution, non-elective contribution, and discretionary matching contribution) are 100% vested and nonforfeitable at all times. This means that a participant will not lose elective deferrals and employer contributions if he or she terminates employment (note that this is different from the *value* of elective deferrals and employer contributions, which is not guaranteed, and a participant could experience market losses based on investment selections).

A participant generally can withdraw elective deferrals and employer contributions upon termination of employment, death, disability, or attainment of age 59½. A participant also may withdraw elective deferrals in the case of a financial hardship (as defined in the Plan). Plan loans are available from elective deferrals, including any after-tax and/or rollover contributions. See the SPD to learn more about getting a distribution or loan from the Plan. A participant may request a distribution or loan at 401k.regions.com, or may contact the 401(k) Service Center at 1-800-701-8892.

IX. Diversification Opportunities

Diversification is important. If a participant holds too much of his or her overall retirement portfolio in any one investment, he or she will have more investment risk than may be appropriate. In determining what percentage of a portfolio to invest in stock of any one company or any one non-diversified investment option, a participant should consider his or her entire portfolio, including investments held outside the Plan, and what percentage of retirement savings he or she can afford to lose.

To help achieve long-term retirement security, a participant should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading assets among different types of investments can help achieve a favorable rate of return, while minimizing overall risk of losing money. This is because market or other economic conditions that cause one category of assets, or one particular security, to perform very well often cause another asset category, or another particular security, to perform poorly. If a participant invests more than 20% of his or her retirement savings in any one company or one security (such as employer stock), his or her savings may not be adequately diversified. Although diversification does not ensure a profit or protect against loss, it is an effective strategy to help manage investment risk.

One investment option in the Plan, the Regions Stock Fund, consists of employer stock. In order to encourage participants to have a diversified account, effective on or about June 3, 2019, salary reduction contributions into the Regions Stock Fund will be limited to 10%. Allocations of new rollover contributions and loan payments to the Regions Stock Fund will also be subject to the 10% limit.

The 10% limit only applies to new salary reduction contributions, rollover contributions, and loan payments into the Regions Stock Fund. A participant continues to have the right to move any portion of his or her account that is invested in other investment options in and out of the Regions Stock Fund at any time, and these intra-plan transfers are not subject to the 10% limit. However, note that transfers in and out of the Regions Stock Fund are subject to frequent trading restrictions and Regions' General Policy on Insider Trading.

If a participant is subject to the General Policy on Insider Trading because of his or her position with Regions and/or because he or she is aware of material non-public information, moving any portion of his or her account between the Regions Stock Fund and other available investment options must be made in accordance with the General Policy on Insider Trading. If a participant does not know if he or she is subject to the General Policy on Insider Trading or has any questions, the participant should refer to the General Policy on Insider Trading on life@regions and check with his or her manager.

To make an investment change, a participant can log on at any time to the Plan's website at 401k.regions.com or call the 401(k) Service Center at 1-800-701-8892.

It is important for a participant to periodically review his or her investment portfolio, investment objectives, and investment options under the Plan to help manage savings to meet retirement goals.

X. Qualified Default Investment Alternative

A participant has the right to direct the investment of his or her Plan account. However, if he or she does not provide the Administrator with investment directions, elective deferrals and employer contributions will be invested in the Plan's default investment option, the T. Rowe Price Target Date Retirement Fund, which is based on the year in which the participant is expected to retire, assumed to be when the participant reaches age 65. A participant has the right to move any portion of his or her account that is invested in a T. Rowe Price Target Date Retirement Fund into other investment options available under the Plan at any time, subject to frequent trading restrictions and, if the funds are to be invested in employer stock, the General Policy on Insider Trading.

The T. Rowe Price Target Date Retirement Funds are managed based on the retirement year (target date) that is noted in the name of the fund. The target date is the approximate year that a participant would expect to retire and start to withdraw amounts in the fund. The fund's allocation among investments changes over time becoming more conservative as the target date approaches to reduce exposure to market risks and volatility.

For additional information about the T. Rowe Price Target Date Retirement Funds, see the attached description of the various funds. To learn more about all of the investment options available under the Plan, including fees, expenses, investment objectives, and risk and return characteristics, or to request copies of any investment options' prospectuses, a participant can log on to 401k.regions.com or call the 401(k) Service Center at 1-800-701-8892.

XI. Amendment or Termination of the Plan

Regions reserves the right to amend the Plan at any time. For instance, the Plan may be amended during the year to reduce or suspend the safe harbor matching contribution; however, any reduction or suspension will not apply until at least 30 days after all eligible associates are provided notice of the reduction or suspension. Regions also reserves the right to terminate the Plan at any time.

XII. Participant's Responsibility to Review Plan Statements and Payslips (if applicable)

A participant can review his or her account in the Plan at 401k.regions.com. He or she should review the account's quarterly statements to ensure that the account has been credited with contributions and invested correctly. If there are any errors in the statement, the participant must bring them to the attention of the Administrator immediately so that the cost of correcting any errors is not compounded by delay. If a participant does not receive his or her statement on schedule or discovers an error his or her statement, he or she is responsible for notifying the Administrator. If a participant waits to notify the Administrator, evidence of the election may be lost. If a participant does not notify the Administrator in writing of an error within 60 days of receipt of a statement, the statement will be deemed correct, and he or she may not be able to later successfully contest the statement.

A participant also should examine his or her payslip each pay period to confirm that the amount withheld to be contributed to the Plan is correct. If the participant does not notify the Administrator in writing of an error within 60 days of receipt of the payslip, the amount withheld will be deemed to be correct, and the participant may not be able to later successfully contest the deferral election or contributions.

XIII. Additional Information

The Summary Plan Description sets forth further details describing benefits under the Plan. For additional information regarding the Plan, the safe harbor matching contribution, or for another copy of the Summary Plan Description, visit the HR section of life@regions or 401k.regions.com, or call the 401(k) Service Center at 1-800-701-8892. You also may contact the HR Connect Team at 1-877-562-8383, Option 1, or by email at RegionsHRBenefits@regions.com or by mail at Human Resources, 250 Riverchase Parkway East, 5th Floor, Hoover, AL 35244.