

LGL GROUP INC
Form DEF 14A
September 14, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12
The LGL Group, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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No fee required.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

The LGL Group, Inc.
2525 Shader Road

Orlando, Florida 32804

NOTICE OF THE 2018 ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON OCTOBER 4, 2018

September 14, 2018

To the Stockholders of The LGL Group, Inc.:

The 2018 Annual Meeting of Stockholders (the “Annual Meeting”) of The LGL Group, Inc., a Delaware corporation, will be held at the offices of The LGL Group, Inc., 2525 Shader Rd., Orlando, Florida 32804, on Thursday, October 4, 2018, at 9:00 a.m., local time, for the following purposes, as more fully described in the accompanying proxy statement:

1. To elect six directors to serve until the 2019 Annual Meeting of Stockholders and until their successors are duly elected and qualified;
2. To ratify the appointment of RSM US LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018;
3. To vote on a non-binding advisory resolution to approve the compensation of the Company’s named executive officers; and
4. To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

Only stockholders of record at the close of business on September 7, 2018 are entitled to receive notice of, and to vote at, the Annual Meeting.

Your vote is extremely important, regardless of the number of shares that you own. Whether or not you plan to attend the Annual Meeting, we ask that you promptly sign, date and return the enclosed proxy card or voting instruction card in the envelope provided, or submit your proxy by telephone or over the Internet (if those options are available to you) in accordance with the instructions on the enclosed proxy card or voting instruction card.

By Order of the Board of Directors,

James W. Tivy
Chief Financial Officer

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Important Notice Regarding the Availability of Proxy Materials for The LGL Group, Inc. Annual Meeting of Stockholders to be Held on October 04, 2018

The Proxy Statement, our form of proxy card, and our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, as amended, are available on the Internet at www.lglgroupproxy.com.

You may obtain directions to attend the annual meeting by calling (407) 587-2274

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PROXY STATEMENT

This Proxy Statement is furnished by the Board of Directors (the “Board”) of The LGL Group, Inc. in connection with the solicitation of proxies for use at the 2018 Annual Meeting of Stockholders (the “Annual Meeting”) to be held at the offices of The LGL Group, Inc., 2525 Shader Rd., Orlando, Florida 32804, on Thursday, October 4, 2018, at 9:00 a.m., local time and any adjournments thereof. This Proxy Statement along with either a proxy card or a voting instruction card are being mailed to stockholders beginning on or about September 14, 2018.

Unless the context otherwise requires, in this Proxy Statement, we use the terms “we,” “our,” “us” and “the Company” to refer to The LGL Group, Inc. and its subsidiaries.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

Q: Why did I receive this Proxy Statement?

A: The Board is soliciting your proxy to vote at the Annual Meeting because you were a stockholder at the close of business on September 7, 2018, the record date for the Annual Meeting, and are entitled to vote at the Annual Meeting.

This Proxy Statement provides important information regarding the matters to be acted on at the Annual Meeting.

You do not need to attend the Annual Meeting to vote your shares. Instead, you may vote your shares using any of the methods discussed below.

Q: Who is paying for this proxy solicitation?

A: The Company will pay the expense of soliciting proxies, including the cost of preparing, assembling and mailing the notice, proxy statement and proxy. In addition to the solicitation of proxies by mail, The LGL Group's directors, officers or employees, without additional compensation, may make solicitations personally and by telephone. The Company may also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

Q: What information is contained in this Proxy Statement?

A: The information in this Proxy Statement relates to the proposals to be voted on at the Annual Meeting, the voting process, the Board and its committees, the compensation of directors and certain executive officers, and certain other required information.

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

A: You may receive more than one set of voting materials, including multiple copies of this Proxy Statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you may receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a stockholder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card that you receive.

Q: How may I obtain an additional set of proxy materials?

A: All stockholders may write to us at the following address to request an additional copy of these materials:

The LGL Group, Inc.
2525 Shader Road
Orlando, Florida 32804
Attention: Corporate Secretary

Additionally, stockholders may access this Proxy Statement, our form of proxy card, and our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 (the “2017 Form 10-K”) on the Internet at www.lglgroupproxy.com.

Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner?

A: If your shares are registered directly in your name with our transfer agent, Computershare, you are considered, with respect to those shares, the “stockholder of record.” If you are a stockholder of record, this Proxy Statement, our 2017 Form 10-K and a proxy card have been sent directly to you by the Company.

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the “beneficial owner” of shares held in street name. If you own shares held in street name, this Proxy Statement and our 2017 Form 10-K have been forwarded to you by your broker, bank or nominee who is considered, with respect to those shares, the stockholder of record. As the beneficial owner, you have the right to direct your broker, bank or nominee how to vote your shares by using the voting instruction card included in the mailing or by following their instructions for voting by telephone or the Internet, if the broker, bank or nominee offers these alternatives. Since a beneficial owner is not the stockholder of record, you may not vote these shares in person at the Annual Meeting unless you obtain a “legal proxy” from the broker, bank or nominee that holds your shares, giving you the right to vote the shares at the Annual Meeting.

Q: What am I voting on at the Annual Meeting?

A: You are voting on the following proposals:

- ☑ To elect six directors to serve until the 2019 Annual Meeting of Stockholders (the “2019 Annual Meeting”) and until their successors are duly elected and qualify;
- ☑ To ratify the appointment of RSM US LLP (“RSM”) as our independent registered public accounting firm for the fiscal year ending December 31, 2018;
- ☑ To vote on a non-binding advisory resolution to approve the compensation of the Company’s named executive officers; and
- ☑ To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

The Board recommends a vote “FOR” the election of each of its nominees for directors; “FOR” the ratification of the appointment of RSM as our independent registered public accounting firm for the fiscal year ending December 31, 2018; and “FOR” the approval of a non-binding advisory resolution approving the compensation of our named executive officers.

Q: How do I vote?

A: You may vote using any of the following methods:

- ☑ Proxy card or voting instruction card. Be sure to complete, sign and date the card and return it in the prepaid envelope.
- ☑ By telephone or the Internet. If you own shares held in street name, you will receive voting instructions from your bank, broker or other nominee and may vote by telephone or on the Internet if they offer those alternatives. Stockholders of record will not be able to vote by telephone or on the Internet.
- ☑ In person at the Annual Meeting. All stockholders of record may vote in person at the Annual Meeting. You may also be represented by another person at the Annual Meeting by executing a proper proxy designating that person. If you own shares held in street name, you must obtain a legal proxy from your bank, broker or other nominee and present it to the inspector of election with your ballot when you vote at the Annual Meeting.

Q: What can I do if I change my mind after I vote my shares?

A: If you are a stockholder of record, you may revoke your proxy at any time before it is voted at the Annual Meeting by:

- ☑ Sending a written notice of revocation to our Corporate Secretary;
- ☑ Submitting a new, proper proxy dated later than the date of the revoked proxy; or
- ☑ Attending the Annual Meeting and voting in person.

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If you own shares held in street name, you may submit new voting instructions by contacting your broker, bank or nominee. You may also vote in person at the Annual Meeting if you obtain a legal proxy as described in the answer to the previous question. Attendance at the Annual Meeting will not, by itself, revoke a proxy.

Q: What if I return a signed proxy card, but do not indicate a vote for some of the matters listed on the proxy card?

A: If you return a signed proxy card without indicating your vote, your shares will be voted in accordance with the Board's recommendations as follows: "FOR" the election of each of its nominees for directors; "FOR" the ratification of the appointment of RSM as our independent registered public accounting firm for the fiscal year ending December 31, 2018; and "FOR" the approval of a non-binding advisory resolution approving the compensation of our named executive officers.

Q: Can my broker vote my shares for me without my instructions?

A: Brokers may not use discretionary authority to vote shares on the election of directors or the approval of a non-binding advisory resolution approving the compensation of our named executive officers, if they have not received instructions from their clients, though may vote either for or against the ratification of auditors. Please provide voting instructions on these proposals to your broker so your vote can be counted.

Q: Can my shares be voted if I do not return my proxy card or voting instruction card and do not attend the Annual Meeting?

A: If you do not vote your shares held of record (registered directly in your name, not in the name of a bank or broker), your shares will not be voted.

If you do not vote your shares held in street name with a broker, your broker will not be authorized to vote on most items being put to a vote, including the election of directors or the approval of a non-binding advisory resolution approving the compensation of our named executive officers. If your broker is not able to vote your shares, they will constitute "broker non-votes," which are counted for the purpose of determining the presence of a quorum, but otherwise do not affect the outcome of any matter being voted on at the Annual Meeting.

Q: What are the voting requirements with respect to each of the proposals?

A: In the election of directors, each director receiving a plurality of the affirmative ("FOR") votes cast will be elected. You may withhold votes from any or all nominees. All other proposals require the affirmative ("FOR") votes of a majority of the votes cast on the matter. Thus, abstentions will not affect the outcome of the votes on these proposals.

If you own shares held in street name and do not provide your broker with voting instructions, your shares may constitute "broker non-votes." Generally, broker non-votes occur on a matter when a broker is not permitted to vote on that matter without instructions from the beneficial owner and instructions are not given. In tabulating the voting result for any particular proposal, shares that constitute broker non-votes are not considered entitled to be voted on that proposal. Thus, the "broker non-vote" will have no effect on any matter being voted on at this Annual Meeting, assuming that a quorum is present.

Q: How many votes do I have?

A: You are entitled to one vote for each share of common stock that you hold. As of September 7, 2018, the record date, there were 4,906,686 shares of common stock outstanding.

Q: Is cumulative voting permitted for the election of directors?

A: We do not use cumulative voting for the election of directors.

Q: What happens if a nominee for director does not stand for election?

A: If for any reason any nominee does not stand for election, any proxies we receive will be voted in favor of the remaining nominees and may be voted for a substitute nominee in place of the nominee who does not stand. We have no reason to expect that any of the nominees will not stand for election.

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Q: What happens if additional matters are presented at the Annual Meeting?

A: Other than the three items of business described in this Proxy Statement, we are not aware of any other business to be acted upon at the Annual Meeting. If you grant a proxy, the persons named as proxy holders, Michael J. Ferrantino, Sr. and James W. Tivy, will have the discretion to vote your shares on any additional matters properly presented for a vote at the Annual Meeting.

Q: How many shares must be present or represented to conduct business at the Annual Meeting?

A: There must be a quorum present in order for the businesses to be conducted at the Annual Meeting. A quorum will be present if at least a majority of the outstanding shares of our common stock entitled to vote, or 2,453,344 shares, is represented at the Annual Meeting, either in person or by proxy.

Both abstentions and broker non-votes (described above) are counted for the purpose of determining the presence of a quorum.

Q: How can I attend the Annual Meeting?

A: You are entitled to attend the Annual Meeting only if you were a stockholder as of the close of business on September 7, 2018, the record date, or if you hold a valid proxy for the Annual Meeting. You should be prepared to present photo identification for admittance. If you are a stockholder of record, your name will be verified against the list of stockholders of record on the record date prior to your admission to the Annual Meeting. If you are not a stockholder of record, but hold shares through a broker, bank or nominee (i.e., in street name), you should provide proof of beneficial ownership on the record date, such as your most recent account statement prior to September 7, 2018, a copy of the voting instruction card provided by your broker, bank or nominee, or other similar evidence of ownership. If you do not provide photo identification or comply with the other procedures outlined above, you will not be admitted to the Annual Meeting.

The Annual Meeting will begin promptly on October 04, 2018, at 9:00 a.m., local time. You should allow adequate time for the check-in procedures.

Q: How can I vote my shares in person at the Annual Meeting?

A: Shares held in your name as the stockholder of record may be voted in person at the Annual Meeting. Shares held beneficially in street name may be voted in person at the Annual Meeting only if you obtain a legal proxy from the broker, bank or nominee that holds your shares giving you the right to vote the shares. Even if you plan to attend the Annual Meeting, we recommend that you also submit your proxy card or voting instruction card as described herein so your vote will be counted if you later decide not to attend the Annual Meeting.

Q: What is the deadline for voting my shares?

A: If you hold shares as the stockholder of record, your vote by proxy must be received before the polls close at the Annual Meeting.

If you hold shares beneficially in street name, please follow the voting instructions provided by your broker, bank or nominee. You may vote these shares in person at the Annual Meeting only if at the Annual Meeting you provide a legal proxy obtained from your broker, bank or nominee.

Q: Is my vote confidential?

A: Proxy instructions, ballots and voting tabulations that identify individual stockholders are handled in a manner that protects your voting privacy. Your vote will not be disclosed either within the Company or to third parties, except: (1) as necessary to meet applicable legal requirements, (2) to allow for the tabulation of votes and certification of the vote, and (3) to facilitate a successful proxy solicitation. Occasionally, stockholders provide written comments on their proxy card, which are then forwarded to our management.

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Q: How are votes counted?

A: For the election of directors, you may vote "FOR" all or some of the nominees or your vote may be "WITHHELD" with respect to one or more of the nominees. For the other items of business, you may vote "FOR," "AGAINST" or "ABSTAIN."

Q: Where can I find the voting results of the Annual Meeting?

A: We intend to announce preliminary voting results at the Annual Meeting and publish final voting results in a Current Report on Form 8-K to be filed with the Securities and Exchange Commission (the "SEC") within four business days after the Annual Meeting.

Q: How can I obtain the Company's corporate governance information?

A: The following information is available in print to any stockholder who requests it and is also available on the Investor Relations portion of the Company's website, www.lglgroup.com:

• Certificate of Incorporation of The LGL Group, Inc.

• The LGL Group, Inc. By-Laws, as amended

• The charters of the following committees of the Board: the Audit Committee, the Nominating Committee and the Compensation Committee

• Our Business Conduct Policy

Q: How may I obtain the Company's 2017 Form 10-K and other financial information?

A: A copy of our 2017 Form 10-K is enclosed with this Proxy Statement.

Stockholders may request another free copy of our 2017 Form 10-K and other financial information by contacting us at:

The LGL Group, Inc.
2525 Shader Road
Orlando, Florida 32804
Attention: Corporate Secretary

Alternatively, current and prospective investors can access our 2017 Form 10-K at www.lglgroupproxy.com.

We will also furnish any exhibit to our 2017 Form 10-K if specifically requested. Our SEC filings are also available free of charge at the SEC's website, www.sec.gov and at the Investor Relations portion of our website, www.lglgroup.com.

Q: What if I have questions for the Company's transfer agent?

A: Please contact our transfer agent at the telephone number or address listed below with questions concerning stock certificates, transfer of ownership or other matters pertaining to your stock account.

Computershare
211 Quality Circle, Suite 210
College Station, TX 77845
Toll free number: (877) 868-8027
TDD Hearing Impaired: (800) 952-9245
Foreign Stockholders: (201) 680-6578
TDD Foreign Stockholders: (781) 575-4592

Q: Who can help answer my questions?

A: If you have any questions about the Annual Meeting or how to vote or revoke your proxy, please contact us at:

The LGL Group, Inc.
2525 Shader Road
Orlando, Florida 32804
Attention: Corporate Secretary

SECURITY OWNERSHIP OF CERTAIN

BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding the number of shares of our common stock beneficially owned on September 7, 2018, by:

- Each person who is known to us to beneficially own more than 5% of our common stock;
- Each of our directors, nominees and named executive officers; and
- All of our directors and executive officers, as a group.

The amounts and percentages of common stock beneficially owned are reported on the basis of regulations of the SEC governing the determination of beneficial ownership of securities. Under the rules of the SEC, a person is deemed to be a “beneficial owner” of a security if that person has or shares voting power, which includes the power to vote or direct the voting of a security, or investment power, which includes the power to dispose of or to direct the disposition of a security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days. Under these rules, more than one person may be deemed a beneficial owner of the same securities and a person may be deemed to be a beneficial owner of securities as to which such person has no economic interest. Except as otherwise indicated in these footnotes, each of the beneficial owners listed has, to our knowledge, sole voting and investment power with respect to the indicated shares of common stock.

Except as otherwise set forth below, the address of each of the persons listed below is: The LGL Group, Inc., 2525 Shader Road, Orlando, Florida 32804.

Name and Address of Beneficial Owner	Common Stock	
	Beneficially Owned (1)	
	Shares	%
5% Stockholders:		
Mario J. Gabelli	1,167,731 (2)	23.8
Directors and Named Executive Officers:		
Marc J. Gabelli	824,106 (3)	16.8
Michael J. Ferrantino, Sr.	102,438 (4)	2.1
Timothy Foufas	27,765 (5)	*
Donald H. Hunter	15,738 (5)	*
Manjit Kalha	15,268 (6)	*
Antonio Visconti	11,761 (5)	*
Frederic V. Salerno, Jr.	3,797	*
Hendi Susanto	3,797	*
James W. Tivy	3,000	*
All executive officers and directors as a group (9 persons)	1,007,670 (7)	20.5

* Less than 1% of outstanding shares.

(1) The applicable percentage of ownership for each beneficial owner is based on 4,906,686 shares of common stock outstanding as of September 7, 2018. Shares of common stock issuable upon exercise of options, warrants or other rights beneficially owned that are exercisable within 60 days are deemed outstanding for the purpose of computing the percentage ownership of the person holding such securities and rights and all executive officers and directors as

a group.

- (2) Includes (i) 521,471 shares of common stock owned directly by Mario J. Gabelli; (ii) 169,323 shares owned by MJGIV Limited Partnership, of which Mario J. Gabelli is the general partner and has less than 100% interest; and (iii) 476,937 shares owned by GGCP, Inc., of which Mario J. Gabelli is the chief executive officer, a director and controlling shareholder. Mario J. Gabelli disclaims beneficial ownership of the shares owned by MJG-IV Limited Partnership, and GGCP, Inc, except to the extent of his pecuniary interest therein. Mario J. Gabelli's business address is 401 Theodore Fremd Avenue, Rye, New York 10580-1430. This disclosure is based solely on information in a Schedule 13D filed by Mario J. Gabelli with the SEC on November 28, 2017.
- (3) Includes (i) 57,603 shares of common stock owned directly by Marc J. Gabelli; (ii) 2,318 shares issuable upon the exercise of options held by Marc Gabelli; and (iii) 554,450 shares held by Venator Merchant Fund, L.P. ("Venator Fund"). Venator Global, LLC ("Venator Global"), which is the sole general partner of Venator Fund, may be deemed to beneficially own the securities owned by Venator Fund. Marc J. Gabelli, who is the President and Sole Member of Venator Global, may be

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deemed to beneficially own the securities owned by Venator Fund. Marc J. Gabelli disclaims beneficial ownership of the securities owned by Venator Fund, except to the extent of his pecuniary interest therein.

(4) Includes 58,500 shares issuable upon the exercise of options.

(5) Includes 2,318 shares issuable upon the exercise of options.

(6) Includes 6,669 shares issuable upon the exercise of options.

(7) Includes 933,229 shares of common stock and 74,441 shares issuable upon the exercise of options.

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PROPOSALS TO BE VOTED ON

Proposal No. 1: Election of Directors

The current members of the Board/Nominating Committee nominated each of the following six nominees for election to the Board at the Annual Meeting: Michael J. Ferrantino, Sr.; Marc Gabelli; Donald H. Hunter; Manjit Kalha; Timothy Foufas; and Hendi Susanto.

Our By-Laws provide that the Board is to consist of no fewer than five and no more than 13 members. As of and following the conclusion of the Annual Meeting, the size of the Board will be set at eight members. Each director is elected annually to serve until the next annual meeting of stockholders and until his or her successor is duly elected and qualifies. Except where authority to vote for directors has been withheld, it is intended that the proxies received pursuant to this solicitation will be voted "FOR" the nominees named below. If for any reason any nominee does not stand for election, such proxies will be voted in favor of the remainder of those named and may be voted for substitute nominees in place of those who do not stand. Management has no reason to expect that any of the nominees will not stand for election.

Biographical summaries and ages of our directors and nominees, and the experiences and skills that led to the conclusion that such persons should serve as directors, are set forth in the table below. Information with respect to the shares of common stock beneficially owned by each of our directors and nominees is set forth in the section titled "Security Ownership of Certain Beneficial Owners and Management." All such information has been furnished to us by our directors and nominees.

Directors and Nominees

Name	Age	Since	Offices and Positions Held With the Company, Business Experience and Principal Director Occupation for the Last Five Years, and Directorships in Public Corporations and Investment Companies
Michael J. Ferrantino, Sr.	75	2014	Executive Chairman of the Board, The LGL Group, Inc. (April 2016 to present); Chief Executive Officer, The LGL Group, Inc. (June 2014 to present); Executive Chairman of the Board, M-tron Industries, Inc. (October 2013 to present); President and Chief Executive Officer, Valpey-Fisher Corporation (September 2002 to November 2009), a provider of electronic components used in communications, medical, defense and aerospace, industrial and computer applications for original equipment manufacturers and contract manufacturers worldwide; President, Micro Networks Division, Integrated Circuit Systems, Inc. (January 2002 to September 2002), a supplier of precision timing devices for optical networking, wireless infrastructure and high end network servers using surface acoustic wave and RF technology; President and Chief Executive Officer, Micro Networks Corporation (pre-2000 to January 2002); and Chairman of the Board of Directors, Micro Networks Corporation (April 2000 to January 2002). Mr. Ferrantino brings to the Company's board of directors (the "Board") his extensive knowledge and leadership experience in the RF/microwave integrated system and frequency control industries.

Director Offices and Positions Held With the Company, Business Experience and Principal Occupation		
Name	Age	Since
Marc J. Gabelli	50	2004
		for the Last Five Years, and Directorships in Public Corporations and Investment Companies Non-Executive Chairman of the Board, The LGL Group, Inc. (December 2017 to present, and September 2004 to April 2016); Chairman of Gabelli Merger Plus Trust since July 2017; Director of GAMCO Investors, Inc. from November 2014 to May 2016; Director and President of Associated Capital Group (October 2015 to May 2016); Managing Partner, Horizon Research (January 2013 to present), an investment management and research services provider; Chief Executive Officer, Gabelli Securities International Ltd. (1994 to present), a global alternative asset management platform and merchant advisor; President and Managing Partner, GGCP, Inc. (1999 to present), a private corporation that makes investments for its own account; Managing Member, Commonwealth Management Partners LLC (2008 to present); and Director and Managing Partner, GAMA Funds Holdings GmbH (2009 to present). Mr. Gabelli brings to the Board his extensive knowledge of the Company's business and industry due to his longstanding service on the Board, as well as his financial expertise and leadership experience as an executive of various investment firms.
Timothy Foufas	50	2007
		Managing Partner, Plato Fofas & Co. LLC (2005 to present), a financial services company; President, Levalon Properties LLC (2007 to 2018), a real estate property management company; Senior Vice President, Bayshore Management Co. LLC (2005 to 2006), a real estate property management company; Director of Investments, Liam Ventures Inc. (2000 to 2005), a private equity investment firm; and Director, ICTC Group, Inc. (2010 to 2013), a rural local exchange carrier headquartered in Nome, ND. Mr. Fofas brings to the Board his management skills and expertise in financial, investment and real estate matters.
Donald H. Hunter	61	2013
		Principal, Donald Hunter LLC (April 2007 to present), a consulting practice based in Wellesley, MA; Since February 2018, Mr. Hunter is a director and Chairman of the Audit Committee of Kush Bottles, Inc. (OTCQB: KSHB), a packaging and supply company serving the regulated cannabis industry; Mr. Hunter was Chief Operating Officer and Chief Financial Officer for Harbor Global Company Limited (October 2000 to December 2006), a public company that owned and operated international investment management and natural resources subsidiaries; Chief Operating Officer, Pioneer Global Investments, a Division of the Pioneer Group, Inc. (August 1998 to October 2000), a company that provided investment management services and owned several natural resources investments; and Manager of International Finance, the Pioneer Group, Inc. (January 1991 to August 1998), with financial responsibility for international strategic start-ups. Mr. Hunter served as a director of Juniper Pharmaceuticals, Inc. (February 2014 to March 2016), a specialty pharmaceuticals company (NASDAQ: JNP), where he served as Chairman of the Audit Committee; LICT Corporation (June 2014 to May 2016), an integrated provider of broadband and voice services (OTC PK: LICT); and the Pioneer First Polish Trust Fund, where he served as Audit Committee Chairman for the first mutual fund in Poland. Mr. Hunter brings to the Board financial, operating, governance, international and mergers and acquisition experience.

Name	Age	Since	Director Offices and Positions Held With the Company, Business Experience and Principal Occupation for the Last Five Years, and Directorships in Public Corporations and Investment Companies
Manjit Kalha	43	2011	Managing Partner, Horizon Research (August 2012 to present), a firm that provides investment management and research services; Chief Executive Officer, Horizon AMC (June 2008 to present), a firm that provides investment management and consulting services; Chief Executive Officer and Director, Jeet Associates Private Limited (December 2006 to present), a consulting firm based in New Delhi that provides business strategy, finance, and taxation advisory services; and Co-founder and Chief Operating Officer, Radiant Polymers Private Limited (2001 to 2006), a manufacturing company of high quality specialty plastic components. Mr. Kalha brings to the Board his experience in management and manufacturing operations, and an extensive knowledge of global financial markets.
Hendi Susanto	44	2016	Vice President, Equity Research, Technology Leader, Gabelli & Company, a provider of institutional research and brokerage services (August 2007 to present). Mr. Susanto's past experiences include supply chain management consulting and operation in the technology industry. Mr. Susanto brings to the Board extensive experience in evaluating investments in technology, and special situations such as mergers and acquisitions, convertible debts and restructuring.

Executive Officers

The following table sets forth information regarding our executive officers, including their business experience for the past five years and prior years.

Name	Age	Offices and Positions Held With the Company, Business Experience and Principal Occupation for the Last Five Years
Michael J. Ferrantino, Sr.	74	Mr. Ferrantino's business experience, including his term in office, is listed in the section above titled "Directors and Nominees."
James W. Tivy	50	Chief Financial Officer, The LGL Group, Inc. (January 2018 to present); SVP, Finance for INTL FCStone Securities Inc. (November 2012 to January 2017); Group Controller, INTL FCStone Inc. (January 2008 to November 2012).

Family Relationships between Directors and Executive Officers

There are no family relationships among our directors and executive officers.

Transactions with Related Persons, Promoters and Certain Control Persons

Since January 1, 2017, there were no transactions that are required to be described under Item 404(a) of Regulation S-K promulgated by the SEC. All transactions between us and any of our officers, directors, director nominees, principal stockholders or their immediate family members are to be approved by the Audit Committee, and are to be on terms no less favorable to us than we could obtain from unaffiliated third parties. Such policy and procedures are set forth in a resolution of the Board.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities of 1934, as amended (the "Exchange Act"), requires the Company's directors, executive officers and holders of more than 10% of the Company's common stock to file with the SEC and NYSE American

initial reports of ownership and reports of changes in the ownership of common stock and other equity

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securities of the Company. Such persons are required to furnish the Company with copies of all Section 16(a) filings.

Based solely upon a review of the copies of the forms furnished to the Company, the Company believes that its directors, officers and holders of more than 10% of the Company's common stock complied with all applicable filing requirements during the 2017 fiscal year.

Votes Required

Each nominee receiving a plurality of the affirmative ("FOR") votes cast at the Annual Meeting will be elected to the Board.

Recommendation of the Board

The Board recommends a vote "FOR" the election of each of its nominees to the Board to serve until the 2019 Annual Meeting and until their successors are duly elected and qualify.

Proposal No. 2: Ratification of Appointment of Independent Registered Public Accounting Firm

Selection of Independent Registered Public Accounting Firm for Fiscal 2018

The Audit Committee has appointed RSM as our independent registered public accounting firm for the fiscal year ending December 31, 2018. Although this appointment does not require ratification, the Board has directed that the appointment of RSM be submitted to stockholders for ratification due to the significance of its appointment. If stockholders do not ratify the appointment of RSM as our independent registered public accounting firm for the fiscal year ending December 31, 2018, the Audit Committee will consider the appointment of another independent registered public accounting firm, but may decide to return RSM as our independent registered public accounting firm.

RSM served as our independent registered public accounting firm for the fiscal years ended December 31, 2017 and 2016. Representatives of RSM are expected to be present at the Annual Meeting and will have an opportunity to make a statement and will be available to respond to appropriate questions.

Fees Billed During Fiscal 2017 and 2016

The following table presents aggregate fees billed for professional services rendered by RSM for fiscal years 2017 and 2016. There were no other professional services rendered or fees billed by RSM for fiscal years 2017 and 2016.

	2017	2016
Audit Fees ⁽¹⁾	\$214,988	\$206,750
Audit-Related Fees ⁽²⁾	\$24,150	—
Tax Fees	—	—
All Other Fees	—	—

(1)Includes fees for services relating to auditing the Company's annual financial statements and reviewing the Company's financial statements included in the Company's quarterly reports on Form 10-Q.

(2)Includes fees related to registration statements.

Pre-Approval Policies and Procedures

The Audit Committee policy and procedures for the pre-approval of audit and non-audit services rendered by our independent registered public accounting firm are reflected in the Audit Committee Charter. The Audit Committee Charter provides that the Audit Committee shall pre-approve all audit and non-audit services provided by the independent registered public accounting firm and shall not engage the independent registered public accounting firm to perform the specific non-audit services proscribed by law or regulation. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any Audit Committee member to whom pre-approval authority is delegated must be presented to the full Audit Committee at its next scheduled meeting.

If any services other than audit services are rendered by our independent registered public accounting firm, the Audit Committee determines whether such services are compatible with maintaining our independent registered public accounting firm's independence.

All services performed by our independent registered public accounting firm were pre-approved by the Audit Committee.

Vote Required

The affirmative (“FOR”) vote of a majority of the votes cast on the matter is required to ratify the appointment of RSM as our independent registered public accounting firm for the fiscal year ending December 31, 2018.

Recommendation of the Board

The Board recommends a vote “FOR” the ratification of the appointment of RSM as our independent registered public accounting firm for the fiscal year ending December 31, 2018.

Proposal No. 3: Advisory Vote on Executive Compensation

We are asking stockholders to indicate their support for the compensation of our named executive officers named in the “Summary Compensation Table” included in this Proxy Statement. This proposal, commonly known as a “say-on-pay” proposal, gives stockholders the opportunity to express their views on the compensation of our named executive officers. Accordingly, we will ask stockholders to vote “FOR” the following resolution at the Meeting:

“RESOLVED, that the Company’s stockholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the Company’s Proxy Statement for the 2018 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Summary Compensation Table and the other related tables and disclosure.”

The say-on-pay vote is advisory, and therefore not binding on the Company, the Compensation Committee or the Board. The Board and the Compensation Committee value the opinions of our stockholders and to the extent there is any significant vote against the named executive officer compensation as disclosed in this Proxy Statement, we will consider our stockholders’ concerns and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

Vote Required

The affirmative (“FOR”) vote of a majority of the votes cast on the matter is required to adopt the resolution approving the compensation of our named executive officers.

Recommendation of the Board

The Board recommends a vote “FOR” the adoption of the resolution approving the compensation of the Company’s named executive officers.

CORPORATE GOVERNANCE

Director Independence

As required under NYSE American rules, a majority of the members of a listed company's board of directors must qualify as "independent," as affirmatively determined by such board of directors. The Board has determined that Messrs. Foufas, Hunter, Kalha, Salerno, Susanto and Visconti are independent within the meaning of NYSE American rules.

Board and Committee Meetings

The Board of Directors held seven meetings during the fiscal year ended December 31, 2017. Each of the directors attended at least 75% of the aggregate of (i) the total number of meetings of the Board (held while he was a director); and (ii) the total number of meetings held by all committees of the Board on which he served (while he served on such committees). All of our incumbent directors except for Mr. Gabelli attended the Company's 2017 Annual Meeting of Stockholders. Although there is no formal policy, all directors are encouraged to attend the annual meetings of stockholders.

The Audit Committee, Compensation Committee and Nominating Committee met seven times, two times and two times, respectively, during the 2017 fiscal year.

Board Committees

The three principal committees of the Board and their duties are described below.

Audit Committee. The Audit Committee held seven meetings during 2017. The incumbent members of the Audit Committee are Messrs. Hunter (Chairman), Kalha and Susanto. The Board has determined that all Audit Committee members are financially literate and independent in accordance with SEC and NYSE American rules concerning audit committee membership requirements. Mr. Hunter qualifies as an "audit committee financial expert" as defined under the Exchange Act. The Audit Committee operates in accordance with its charter. The charter gives the Audit Committee the authority and responsibility for the appointment, retention, compensation and oversight of our independent registered public accounting firm, including pre-approval of all audit and non-audit services to be performed by our independent registered public accounting firm. The Audit Committee also reviews the independence of our independent registered public accounting firm, reviews with management and our independent registered public accounting firm our annual financial statements prior to their filing with the SEC, reviews the report by our independent registered public accounting firm regarding management procedures and policies and determines whether our independent registered public accounting firm has received satisfactory access to our financial records and full cooperation of corporate personnel in connection with their audit of our records. The Audit Committee also reviews our financial reporting process on behalf of the Board and reviews the financial information issued to stockholders and others, including a discussion of the quality and reasonableness of the accounting principles used, the reasonableness of significant judgments, and the clarity of discussions in the financial statements, and monitors the systems of internal control and the audit process. Management has primary responsibility for the financial statements and the reporting process. The Audit Committee Charter is available at www.lglgroup.com.

Compensation Committee. The Compensation Committee met twice during 2017. The incumbent members of the Compensation Committee are Messrs. Foufas (Chairman), Salerno and Visconti. All members of the Compensation Committee are independent in accordance with NYSE American rules for compensation committee members. The responsibilities of the Compensation Committee are to review the Company's compensation and benefits policies and objectives, determine whether our officers and directors are compensated in accordance with these policies and

objectives, and carry out the Board's responsibilities relating to compensation of our executives. The Compensation Committee Charter is available at www.lglgroup.com. See further discussion of the Compensation Committee's role in setting executive compensation beginning on page 18.

Nominating Committee. The Nominating Committee met twice during 2017. The incumbent members of the Nominating Committee are Messrs. Kalha (Chairman), Foufas and Hunter. All members of the Nominating Committee are independent in accordance with NYSE American rules. The responsibilities of the Nominating Committee are to identify individuals qualified to become Board members and recommend that the Board select

director nominees for election at the annual meetings of stockholders. The Nominating Committee Charter is available at www.lglgroup.com.

Director Nominations

In evaluating and determining whether to nominate a candidate for a position on the Board, the Nominating Committee utilizes a variety of methods and considers criteria such as high professional ethics and values, relevant management and/or manufacturing experience and a commitment to enhancing stockholder value. Candidates may be brought to the attention of the Nominating Committee by current Board members, stockholders, officers or other persons. The Nominating Committee will review all candidates in the same manner regardless of the source of the recommendation.

The Company does not have a formal policy with regard to the consideration of diversity in identifying director nominees, but the Nominating Committee strives to nominate director candidates with a variety of complementary skills so that, as a group, the Board will possess the appropriate talent, skills and expertise to oversee the Company's businesses.

The Nominating Committee also considers stockholder recommendations for director nominees that are properly received in accordance with the Company's By-Laws and applicable rules and regulations of the SEC. In order to validly nominate a candidate for election or reelection as a director, stockholders must give timely notice of such nomination in writing to the Corporate Secretary and include, as to each person whom the stockholder proposes to nominate, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act, and the other rules and regulations under the Exchange Act (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected). For more information on director candidate nominations by stockholders, see "Stockholder Proposals" herein.

Board Leadership Structure

The Board is led by Mr. Ferrantino, the Executive Chairman of the Board and our Chief Executive Officer, and Mr. Marc Gabelli, as Non-Executive Chairman of the Board. The Board does not have a policy regarding a separation of the roles of Chief Executive Officer and Chairman of the Board, as the Board believes it is in the best interests of the Company to make that determination based on the then-current position and direction of the Company and the membership of the Board. The Board has determined that combining the roles of Chief Executive Officer and Executive Chairman of the Board is in the best interests of the Company's stockholders at this time. This structure leverages Mr. Ferrantino's significant industry and management experience for the Board while aligning the leadership of the Company's day-to-day operations and strategic initiatives.

Board Role in Risk Oversight

Senior management is responsible for assessing and managing the Company's various exposures to risk on a day-to-day basis, including the creation of appropriate risk management programs and policies. We have developed a consistent, systemic and integrated approach to risk management to help determine how best to identify, manage and mitigate significant risks throughout the Company, which includes our system of internal controls over financial reporting, annual reviews conducted by our directors and officers, monitoring compliance with our Business Conduct Policy and general liability insurance coverage. The Board is responsible for overseeing management in the execution of its responsibilities and for assessing the Company's approach to risk management. The Board exercises these responsibilities periodically as part of its meetings and also through the Board's three principal committees, each of which examines various components of enterprise risk as part of its responsibilities. In addition, an overall review of

risk is inherent in the Board's consideration of the Company's long-term strategies and in the transactions and other matters presented to the Board, including capital expenditures, acquisitions and divestitures, and financial matters.

Stockholder Communications

Stockholders may communicate with the Board, including the non-management directors, by sending an e-mail to our Chief Financial Officer at JTivy@lglgroup.com or by sending a letter to The LGL Group, Inc., 2525 Shader Road, Orlando, Florida 32804, Attention: Chief Financial Officer. The Chief Financial Officer will submit all such correspondence to any specific director to whom the correspondence is directed.

Code of Ethics

We adopted a code of ethics as part of our Business Conduct Policy, which applies to all of our employees, including our principal executive, financial and accounting officers. Our Business Conduct Policy is available at www.lglgroup.com. Amendments to and waivers of our code of ethics and Business Conduct Policy will be disclosed on our website.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee has reviewed and discussed the consolidated financial statements for the fiscal year ended December 31, 2017 with both management and RSM US LLP, the Company's independent registered public accounting firm.

The Audit Committee meets with the Company's independent registered public accounting firm, with and without management present, to discuss the results of their financial statement audit and the overall quality of the Company's financial reporting. The Audit Committee has discussed with RSM US LLP the matters required to be discussed by Statement on Auditing Standard No. 1301 (formerly No. 16), "Communications with Audit Committees," issued by the Public Company Accounting Oversight Board (the "PCAOB").

RSM US LLP provided to the Audit Committee the written disclosures and the letter required by the applicable requirements of the PCAOB regarding RSM US LLP's communications with the Audit Committee concerning independence, and the Audit Committee discussed with RSM US LLP its independence.

Based on the Audit Committee's review of the audited financial statements and discussions, including those noted above, the Audit Committee recommended to the Board that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017.

AUDIT COMMITTEE

Donald Hunter (Chairman)
Manjit Kalha
Hendi Susanto

EXECUTIVE COMPENSATION

Overview

The Compensation Committee is responsible for the design and administration of the Company's compensation policy and plans. The plans are designed to successfully implement the Company's business strategy and create stockholder value. As a matter of policy, the Compensation Committee submits its recommendations to the full Board for approval.

Compensation Philosophy and Objectives

The Company's compensation program emphasizes performance-based compensation promoting the achievement of short-term and long-term business objectives. This aligns our executives' compensation with stockholder interests, while providing competitive compensation to attract, motivate and retain executives with superior skills and abilities.

Determination of Compensation Awards

The Compensation Committee recommends to the Board the compensation awards for the named executive officers based on (i) Company performance versus annual budgeted financial targets, and (ii) individual performance.

The Compensation Committee conducts an annual review of the Chief Executive Officer's performance prior to making its recommendation to the Board regarding the Chief Executive Officer's compensation. Our Chief Executive Officer reviews the performance of our Chief Financial Officer with the Compensation Committee and makes a recommendation to the Compensation Committee regarding the Chief Financial Officer's compensation. During these reviews, the Compensation Committee considers the Company's performance in the following categories: (i) improvement in the Company's market value; (ii) the achievement of agreed upon short- and long-term objectives; and (iii) predetermined individual goals.

Compensation Benchmarking

The Company has not retained a compensation consultant to review its policies and procedures with respect to the compensation of the named executive officers, though it may choose to do so in the future. The Compensation Committee benchmarks the compensation of the named executive officers against the median compensation paid by comparable companies determined at the time. To that end, the Compensation Committee will conduct a benchmark review as often as deemed necessary of the aggregate level of compensation of the named executive officers as well as the mix of elements used to compensate the named executive officers, taking into account input from independent members of the Board and publicly available data relating to the compensation practices and policies of comparable companies. While benchmarking may not always be appropriate as a stand-alone tool for setting the compensation of the named executive officers due to the Company's potentially unique circumstances and objectives, the Compensation Committee generally believes that gathering such information is an important part of the Compensation Committee's decision-making process.

Notwithstanding the foregoing, the Compensation Committee may determine that it is in the Company's best interest to recommend total compensation packages that deviate from the Compensation Committee's general principle of benchmarking the compensation of the named executive officers.

Elements of Compensation

Base Salary

Base salary levels for the Company's named executive officers are designed to be competitive with those of employees with similar responsibilities working for companies of comparable size, capitalization and complexity. In determining base salaries, the Compensation Committee takes into account a variety of factors, including experience, performance, and benchmarking.

Incentive Compensation

The Company provides annual and long-term incentive compensation to its executives and managers under the Company's Amended and Restated 2011 Incentive Plan, approved by stockholders on June 16, 2016. The Amended

and Restated 2011 Incentive Plan is designed to provide annual and long-term incentives for executive performance by rewarding participating executives for their contributions to profitability and stockholder value based on achieving short-term Company and individual performance goals for a given year, as well as by aligning a significant portion of compensation with the long-term interests of stockholders. Short-term Company performance goals include revenue growth, EBITDA, earnings per share and return on equity. Long-term Company performance goals include increasing the Company's total market value. The Compensation Committee may recommend that other corporate performance measures be substituted or added (including but not limited to operating income after tax, return on capital employed and stockholder return) in order to achieve the Company's business strategy. Individual performance goals for the Chief Executive Officer are established by the Compensation Committee and recommended to the Board for approval, while individual performance goals for our other employees are established by the Chief Executive Officer and reviewed by the Compensation Committee.

The LGL Group, Inc. 401(k) Savings Plan

The LGL Group, Inc. 401(k) Savings Plan (the "401(k) Plan"), which is subject to limitations imposed by the Internal Revenue Code of 1986, as amended (the "Code"), permits the Company's employees to defer a portion of their compensation by making contributions to the 401(k) Plan and thereby obtain certain tax benefits. Participating employees also benefit from the 401(k) Plan by sharing in discretionary contributions made by the Company to the 401(k) Plan based on each employee's contribution made in a particular year. A participant's interest in his or her individual contributions, the Company's contributions and earnings thereon is fully vested at all times. The 401(k) Plan's proceeds are invested in guaranteed investment contracts or certain mutual funds, subject to the discretion of the participants.

The named executive officers and all other employees of the Company and certain of its subsidiaries are eligible to participate in the 401(k) Plan after having completed three months of service and reached the age of 18. All of the named executive officers, who were eligible to do so, participated in the 401(k) Plan in 2017.

Other Benefits

The Company makes available to the named executive officers the same medical insurance, life insurance and disability benefits that are generally made available to Company's employees to ensure that the Company's employees have access to basic healthcare and income protection for themselves and their family members.

Summary Compensation Table

The following table sets forth information with respect to compensation earned by the Company's named executive officers:

Name and Principal Position	Year	Salary (\$)	Bonus (\$)		Stock	Option	All Other	Total
					Awards (1) (\$)	Awards (1) (\$)	Compensation (\$)	
Michael J. Ferrantino, Sr. Chief Executive Officer	2017	214,603	165,000 (2)	(3)	—	—	7,472	(4) 387,075
	2016	144,000	78,750 (3)	(4)	—	32,084	6,532	(4) 261,366
Patti A. Smith (5) Chief Financial Officer	2017	116,513	18,500 (6)	(7)	—	—	4,556	(7) 139,569
	2016	130,000	18,000 (6)	(7)	—	4,450	3,900	(7) 156,350

(resigned November 2017)

- (1) Reflects the aggregate grant date fair value of stock awards or option awards granted in the applicable year, computed in accordance with Financial Accounting Standard Board Standards Codification Topic 718. For a discussion of the assumptions and methodologies used to calculate these amounts, please see Note E – Stock-Based Compensation in the Notes to Consolidated Financial Statements included in the 2017 Form 10-K.
- (2) Reflects Mr. Ferrantino's Annual Incentive Payment (defined below) for 2016 of \$95,000 along with discretionary bonuses of \$70,000 awarded by the Company's Board.
- (3) Reflects Mr. Ferrantino's Annual Incentive Payment (defined below) for 2015.
- (4) Amounts include reimbursement of healthcare insurance costs and the personal income tax expense arising from those costs, as well as matching contributions made by the Company to the individual's 401(k) plan.
- (5) Ms. Smith served as the Company's Chief Financial Officer from April 2015 until her resignation in November 2017.

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(6) Ms. Smith was eligible to participate in the Company’s Annual Management Incentive Plan which is based on the Company’s financial and operational performance and individual performance. For 2017 and 2016, Ms. Smith earned bonuses of \$18,500 and \$18,000, respectively, pursuant to the Company’s Annual Management Incentive Plan.

(7) Amounts include matching contributions made by the Company to the individual’s 401(k) plan. Employment Agreements

Michael J. Ferrantino, Sr.

Pursuant to an offer letter entered into between the Company and Michael J. Ferrantino, Sr. (the “Offer Letter”) on May 21, 2014, and as revised on January 11, 2017 (the “Revised Offer Letter”), Mr. Ferrantino is eligible to receive an annual incentive payment (the “Annual Incentive Payment”) based on the increase in the economic value of the Company (“EV”), as further described in the Revised Offer Letter, over the prior fiscal year. The total amount of the Annual Incentive Payments payable for any fiscal year shall be equal to 3.0% of the increase in EV over the prior fiscal year. Mr. Ferrantino’s Annual Incentive Payment is included in the Summary Compensation Table above.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information regarding equity awards held by our named executive officers as of December 31, 2017:

Name	Option Awards			
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date
Michael J. Ferrantino, Sr.	45,000 (1)	—	4.90	6/11/2019
	1,558 (2)	—	3.53	12/11/2019
	13,500 (3)	13,500	5.02	12/30/2021
Patti A. Smith (4)	3,000 (5)	—	4.15	2/5/2018
	2,500 (6)	—	3.90	2/5/2018

(1) On June 11, 2014, the Company granted Mr. Ferrantino options to purchase 75,000 shares of common stock under the Amended and Restated 2011 Incentive Plan with a grant date fair value of \$111,055. These options vest as follows: 60% on the grant date; an additional 20% on the second anniversary of the grant date; and the remaining 20% on the third anniversary of the grant date. On March 1, 2016, Mr. Ferrantino voluntarily forfeited 30,000 of these options that were unvested.

(2) On December 11, 2014, Mr. Ferrantino, as a director of the Company, received a retainer in the form of options to purchase 1,558 shares of common stock under the Amended and Restated 2011 Incentive Plan with a grant date fair value of \$1,424. These options vest as follows: 30% on the first anniversary of the grant date; an additional

- 30% on the second anniversary of the grant date; and the remaining 40% on the third anniversary of the grant date.
- (3) On December 30, 2016, Mr. Ferrantino was granted options to purchase 27,000 shares of common stock under the Amended and Restated 2011 Incentive Plan with a grant date fair value of \$32,084. These options vest as follows: 25% on the grant date; 25% on the first anniversary of the grant date; an additional 25% on the second anniversary of the grant date; and the remaining 25% on the third anniversary of the grant date.
- (4) Ms. Smith served as the Company's Chief Financial Officer from April 2015 until her resignation in November 2017.
- (5) On March 12, 2015, the Company granted Ms. Smith options to purchase 5,000 shares of common stock under the Amended and Restated 2011 Incentive Plan with a grant date fair value of \$5,150. These options vest as follows: 30% on the first anniversary of the grant date; an additional 30% on the second anniversary of the grant date; and the remaining 40% on the third anniversary of the grant date. Upon her resignation, 2,000 of these options were forfeited, and the expiration date was amended to allow up to 90 days for exercise of the vested portion of the option grant. Ms. Smith exercised the 3,000 vested options on February 2, 2018.
- (6) On September 2, 2016, the Company granted Ms. Smith options to purchase 5,000 shares of common stock under the Amended and Restated 2011 Incentive Plan with a grant date fair value of \$4,450. These options vest as follows: 25% on the grant date; 25% on the first anniversary of the grant date; an additional 25% on the second anniversary of the grant date; and the remaining 25% on the third anniversary of the grant date. Upon her resignation, 2,500 of these options were forfeited, and the expiration date was amended to allow up to 90 days for exercise of the vested portion of the option grant. Ms. Smith exercised the 2,500 vested options on February 2, 2018.

Non-Employee Director Compensation

The following table sets forth information with respect to compensation earned by or awarded to each non-employee director who served on the Board during the fiscal year ended December 31, 2017:

Name	Fees			Total
	Earned or			
	Paid in	Stock	Option	
	Cash	Awards	Awards	
	(\$)	(\$) (1)	(\$) (1)	(\$)
Timothy Foufas	25,000	10,000	—	35,000
Marc J. Gabelli	14,500	10,000	—	24,500
Donald H. Hunter	26,000	10,000	—	36,000
Manjit Kalha	24,250	—	10,000	34,250
Frederic Salerno	19,500	10,000	—	29,500
Hendi Susanto	23,250	10,000	—	33,250
Antonio Visconti	19,500	10,000	—	29,500

(1) On December 11, 2017, non-employee directors received grants of 1,805 shares of restricted common stock as 50% of their base compensation for fiscal 2017 (\$10,000), except for Mr. Kalha, who elected to receive a grant of options to purchase 9,541 shares of common stock as 50% of his base compensation for fiscal 2017. These shares and options were granted under the Amended and Restated 2011 Incentive Plan. The shares of restricted common stock vested immediately. The options vest as follows: 30% on the first anniversary of the grant date; 30% on the second anniversary of the grant date; and the remaining 40% on the third anniversary of the grant date.

In 2017, our directors also received the following in addition to the equity awards granted as part of their base compensation; (i) the remaining 50% of their annual base compensation in cash (\$10,000); (ii) \$2,000 for each meeting of the Board attended in person or \$750 for each meeting held telephonically; and (iii) the Audit Committee Chairman received a \$2,000 annual cash retainer and the Nominating Committee Chairman, and Compensation Committee Chairman each received a \$1,000 annual cash retainer.

Equity Compensation Plan Information

The following table provides information as of December 31, 2017 about our common stock that may be issued upon the exercise of options, warrants and rights under all of our existing equity compensation plans (including individual arrangements):

Plan Category	Number of securities to be issued upon	Weighted-average price of outstanding	Number of securities remaining available for
---------------	--	---------------------------------------	--

exercise of options, future
 outstanding warrants issuance
 options, and rights under
 warrants (b) equity
 and rights compensation
 (a) plans
 (excluding
 securities
 reflected in
 column(a))
 (c)

Equity compensation plans approved by security

holders (1)	181,385	Median	Low	High SunTrust
Price/Stated Book Value Per Share	150%	91%	277%	138%
Price/Tangible Book Value Per Share	276	136	519	237
Price/2007 GAAP Estimated Earnings Per Share	11.0x	9.3x	28.0x	12.5x
Price/2007 Cash Estimated Earnings Per Share	10.8	9.3	26.4	12.1
Price/2008 GAAP Estimated Earnings Per Share	10.6	8.9	13.7	11.3
Price/2008 Cash Estimated Earnings Per Share	10.5	8.7	13.3	10.9
Dividend Yield	5.6%	3.0%	7.5%	4.2%

KBW also compared the financial performance and market performance of GB&T to those of a group of comparable banks and bank holding companies. The comparisons were based on:

various financial measures, including

earnings performance,

operating efficiency,

capital, and

asset quality; and

various measures of market performance, including

price to book value, and

price to earnings.

To perform this analysis, KBW used the financial information as of and for the quarter ended September 30, 2007. The 10 companies in the peer group included select publicly traded banks in high growth markets in the southeastern United States. This peer group includes Capital City Bank Group, Inc., CenterState Banks of Florida, Inc., Fidelity Southern Corporation, Green Bankshares, Inc., PAB Bankshares, Inc., Pinnacle Financial Partners, Inc., SCBT Financial Corporation, Seacoast Banking Corporation of Florida, Security Bank Corporation and TIB Financial Corp. This analysis was based on First Call's 2007 and 2008 published earnings estimates for the 10 companies in the peer group. KBW has adjusted throughout its analysis the financial data to exclude certain non-recurring income and expenses and any extraordinary items.

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KBW's analysis showed the following concerning GB&T's financial performance:

Selected Peer Group

	Median	Low	High	GB&T
Return on Average Equity (GAAP)	7.70%	0.52%	13.30%	(10.72)%
Return on Average Assets (GAAP)	0.80	0.05	1.23	(1.27)
Return on Average Tangible Equity (Cash)	10.07	1.19	23.34	(17.19)
Return on Average Tangible Assets (Cash)	0.83	0.09	1.37	(1.30)
Net Interest Margin	3.91	3.11	5.32	3.62
Efficiency Ratio	66	54	77	81
Leverage Ratio	9.27	8.10	11.49	9.42
Tangible Equity / Assets	6.81	5.72	9.35	7.42
Loans/Deposits	100	84	115	100
Non-Performing Assets / Assets	0.66	0.18	2.40	4.53
Latest Twelve Months Net Charge-Offs/Average Loans	0.12	(0.02)	0.44	0.77
Loan Loss Reserve/Total Loans	1.18	0.95	1.44	2.12

KBW's analysis showed the following concerning GB&T's market performance:

Selected Peer Group

	Median	Low	High	GB&T
Price/Stated Book Value Per Share	122%	61%	155%	54%
Price/Tangible Book Value Per Share	163	104	290	90
Price/2007 GAAP Estimated Earnings Per Share	15.7x	11.1x	22.0x	Not Meaningful
Price/2007 Cash Estimated Earnings Per Share	14.6	10.9	20.6	Not Meaningful
Price/2008 GAAP Estimated Earnings Per Share	14.2	10.3	21.7	Not Meaningful
Price/2008 Cash Estimated Earnings Per Share	13.6	10.0	20.3	Not Meaningful
Dividend Yield	2.7%	0.0%	4.7%	4.3%

Contribution Analysis

KBW analyzed the relative contribution of each of GB&T and SunTrust to the pro forma balance sheet and income statement items of the combined entity, including assets, gross loans, deposits, equity, tangible equity and latest twelve months earnings. This analysis excluded any purchase accounting adjustments. The pro forma ownership analysis assumed the aggregate deal value was in the form of 100% SunTrust stock and was based on SunTrust's closing price of \$69.13 on November 1, 2007. The results of KBW's analysis are set forth in the following table:

Category	SunTrust	GB&T
Assets	98.9%	1.1%
Gross Loans	98.8	1.2
Deposits	98.7	1.3

Equity	98.7	1.3
Tangible Equity	98.7	1.3
Latest Twelve Months Earnings (GAAP)	100.0	Not Meaningful
Latest Twelve Months Earnings (Cash)	100.0	Not Meaningful
Estimated Pro Forma Ownership	99.4	0.6

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Other Analyses

KBW reviewed the relative financial and market performance of SunTrust and GB&T to a variety of relevant industry peer groups and indices. KBW also reviewed earnings estimates, historical stock performance, stock liquidity and research coverage for SunTrust.

The GB&T board of directors has retained KBW as an independent contractor to act as financial advisor to GB&T regarding the merger. As part of its investment banking business, KBW is continually engaged in the valuation of banking businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. As specialists in the securities of banking companies, KBW has experience in, and knowledge of, the valuation of banking enterprises. In the ordinary course of its business as a broker-dealer, KBW may, from time to time, purchase securities from, and sell securities to GB&T and SunTrust. As a market maker in securities, KBW may from time to time have a long or short position in, and buy or sell, debt or equity securities of GB&T and SunTrust for KBW's own account and for the accounts of its customers.

GB&T and KBW have entered into an agreement relating to the services to be provided by KBW in connection with the merger. GB&T has agreed to pay KBW at the time of closing a cash fee equal to 1.0% of the market value of the aggregate consideration offered in exchange for the outstanding shares of common stock of GB&T in the transaction. This fee is contingent upon the closing of the transaction. Pursuant to the KBW engagement agreement, GB&T also agreed to reimburse KBW for reasonable out-of-pocket expenses and disbursements incurred in connection with its retention and to indemnify against certain liabilities, including liabilities under the federal securities laws.

Merger Consideration

At the effective time of the merger, each issued and outstanding share of GB&T common stock, except for shares held by SunTrust or any of the subsidiaries of SunTrust or GB&T (other than in a fiduciary capacity), will be converted into the right to receive 0.1562 shares of SunTrust common stock (the Exchange Ratio). The aggregate value of the merger consideration will fluctuate with the market price of SunTrust common stock.

No fractional shares of SunTrust common stock will be issued in the merger. Instead, SunTrust will make a cash payment to each GB&T shareholder who otherwise would receive a fractional share. See Conversion of Shares; Exchange of Stock Certificates; Fractional Shares beginning on page 38.

Treatment of Options

Each outstanding option to acquire GB&T common stock granted under GB&T's stock option plans will be converted automatically at the effective time of the merger into an option to purchase SunTrust common stock and will continue to be governed by the terms of the GB&T stock option plans and related grant agreements under which it was granted, except that:

the number of shares of SunTrust common stock subject to the new SunTrust stock option will be equal to the product of the number of shares of GB&T common stock subject to the GB&T stock option and the Exchange Ratio, rounded down to the nearest whole share; and

the exercise price per share of SunTrust common stock subject to the new SunTrust stock option will be equal to the exercise price per share of GB&T common stock under the GB&T stock option divided by the Exchange Ratio, rounded up to the nearest whole cent.

In any event, with respect to stock options that are intended to be incentive stock options under the Code, the above formulas will be adjusted, if necessary, in a manner to comply with Section 424(a) of the Code.

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Treatment of Other Stock Based Awards

Each outstanding award of shares of GB&T common stock (including restricted GB&T common stock, restricted stock units, performance stock units, deferred stock units and dividend equivalents) or account measured in respect of shares of GB&T common stock will be converted automatically at the effective time of the merger into a similar instrument in respect of shares of SunTrust common stock. The number of shares of SunTrust common stock subject to each converted award or account will equal the product of the number of shares of GB&T common stock subject to the GB&T award or account and the Exchange Ratio, rounded down to the nearest whole share.

Conversion of Shares; Exchange of Stock Certificates; Fractional Shares

The conversion of GB&T common stock into the right to receive the merger consideration will occur automatically upon completion of the merger. As soon as reasonably practicable after the completion of the merger, Computershare Trust Company, N.A., as exchange agent, will exchange, pursuant to the terms of the merger agreement, certificates representing shares of GB&T common stock for shares of SunTrust common stock and cash in lieu of fractional shares of SunTrust common stock.

Fractional Shares

No fractional shares of SunTrust common stock will be issued in the merger. Instead, SunTrust will make a cash payment to each GB&T shareholder who otherwise would receive a fractional share. The amount of such cash payment will be determined by multiplying the fraction of a share of SunTrust common stock otherwise issuable to such shareholder by the average closing price per share of SunTrust common stock on the NYSE for the five trading days ending on November 1, 2007.

Letter of Transmittal and Exchange Procedures

Soon after the completion of the merger, the exchange agent will send a letter of transmittal to those persons who were GB&T shareholders of record at the effective time of the merger. This mailing will contain instructions on how to surrender shares of GB&T common stock in exchange for the merger consideration the holder is entitled to receive under the merger agreement.

If a certificate for GB&T common stock has been lost, stolen or destroyed, the exchange agent will issue the consideration properly payable under the merger agreement upon receipt of an affidavit of that fact by the person claiming such loss, theft or destruction, and, if reasonably required by SunTrust or the exchange agent, the posting by such person of a bond in an amount reasonably necessary as indemnity against any claim that may be made against the exchange agent with respect to the certificate in question.

One year after the effective time of the merger, any merger consideration held by the exchange agent that remains undistributed to the former GB&T shareholders may be paid to SunTrust. Thereafter, any former GB&T shareholder who has not already complied with the surrender and exchange procedures may look only to SunTrust for payment of its claims for SunTrust common stock, cash in lieu of fractional shares or any dividends or distributions with respect to SunTrust common stock, all without any interest thereon.

If any merger consideration is to be issued or paid in the name of a person other than the person in whose name the GB&T common stock certificate being surrendered in exchange for the merger consideration is registered, it will be a condition of the payment and issuance of such merger consideration that the certificate so surrendered be properly

endorsed or otherwise be in proper form for transfer and that the person requesting the exchange pay or establish the prior payment or inapplicability of any transfer or other taxes required by reason of the payment of the merger consideration in the name of a person other than the registered holder of the GB&T common stock certificate.

Withholding

The exchange agent will be entitled to deduct and withhold from any cash in lieu of fractional shares otherwise payable to any GB&T shareholder the amounts that SunTrust or the exchange agent (as the case

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may be) is required to deduct and withhold under any federal, state, local or foreign tax law. If the exchange agent withholds any amounts, these amounts will be treated for all purposes of the merger as having been paid to the shareholders from whom they were withheld.

Effective Time

The merger will be completed when the parties file a certificate of merger with the Secretary of State of the State of Georgia. In general, the parties will complete the merger no later than five business days after the conditions to the merger set forth in the merger agreement have been satisfied or waived, unless the parties agree otherwise. However, if the final condition to the merger set forth in the merger agreement is satisfied or waived during the two weeks immediately before the end of a fiscal quarter of SunTrust, then SunTrust may postpone completion of the merger until the first full week after the end of that fiscal quarter.

The parties anticipate that the merger will be completed during the second quarter of 2008. However, completion of the merger could be delayed if there is a delay in satisfying any conditions to the merger. There can be no assurances as to whether, or when, SunTrust and GB&T will complete the merger. If the merger is not completed on or before July 31, 2008, either SunTrust or GB&T may terminate the merger agreement, unless the failure to complete the merger by that date is due to the failure of the party seeking to terminate the merger agreement to perform its covenants and agreements in the merger agreement. See **Conditions to the Completion of the Merger** immediately below.

Conditions to the Completion of the Merger

Completion of the merger is subject to various conditions. While it is anticipated that all of these conditions will be satisfied, there can be no assurances as to whether, or when, all of the conditions will be satisfied or, where permissible, waived.

The respective obligations of SunTrust and GB&T to complete the merger are subject to the following conditions:

approval of the merger agreement by the GB&T shareholders;

approval by the NYSE of listing of the shares of SunTrust common stock to be issued in the merger, subject to official notice of issuance;

effectiveness of the registration statement, of which this proxy statement/prospectus constitutes a part, for the SunTrust shares to be issued in the merger;

absence of any order, injunction or decree of a court or agency of competent jurisdiction (an **Injunction**) which prohibits completion of the merger;

absence of any threatened **Injunction** which represents a reasonable probability of preventing the completion of the merger or imposing damages that would reasonably be expected to have a material adverse effect on SunTrust (see **Representations and Warranties** immediately below), GB&T or the surviving corporation (measured in the case of GB&T or the surviving corporation with respect to the business and financial condition of GB&T only);

absence of any statute, rule, regulation, order, injunction or decree which prohibits or makes illegal completion of the merger;

accuracy of the other party's representations and warranties contained in the merger agreement, except, in the case of most of such representations and warranties, where the failure to be accurate has not had, and is not reasonably likely to have, a material adverse effect on the party making the representations and warranties (see Representations and Warranties immediately below);

performance by the other party of its obligations and covenants contained in the merger agreement in all material respects;

receipt of all required regulatory approvals and expiration of all related statutory waiting periods; and

the receipt by each party of an opinion of its counsel, dated the closing date of the merger, substantially to the effect that the merger will be treated as a reorganization under Section 368(a) of the Code;

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provided, however, that if GB&T's counsel fails to deliver such opinion to GB&T, at SunTrust's sole election, SunTrust's counsel may provide such opinion to GB&T.

Representations and Warranties

Each of GB&T and SunTrust has made representations and warranties to the other in the merger agreement as to:

corporate existence, good standing and qualification to conduct business;

capital structure;

due authorization, execution, delivery and enforceability of the merger agreement;

absence of any violation of agreements or law or regulation as a result of the merger;

governmental and third party consents necessary to complete the merger;

accuracy and sufficiency of SEC and other regulatory filings;

conformity of financial statements with applicable accounting principles and fairness of presentation of consolidated financial positions;

fees payable to financial advisors in connection with the merger;

absence of material adverse changes;

legal proceedings and regulatory actions;

certain tax matters;

compliance with laws and court orders; and

accuracy of information included in this document.

Moreover, GB&T has made representations and warranties to SunTrust in the merger agreement as to:

depository insurance;

employment matters, employee benefits plans and labor relations;

enforceability and absence of default in material contracts;

derivative transactions and risk management instruments;

investment securities and commodities;

property;

intellectual property;

environmental matters;

leases;

securitization transactions;

receipt of a fairness opinion;

administration of fiduciary accounts;

lack of applicability of any anti-takeover law to the merger;

loan portfolio, doubtful loans and non-performing assets and adequacy of loan loss reserves;

administration of fiduciary accounts; and

internal controls and procedures.

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SunTrust also has made representations and warranties to GB&T regarding the validity of the shares of SunTrust common stock to be issued in connection with the merger.

Significant portions of the representations and warranties of SunTrust and GB&T are qualified as to materiality or material adverse effect. Under the merger agreement, a material adverse effect means, when used in connection with SunTrust, GB&T or the surviving corporation, a material adverse effect on the business, results of operations or financial condition of such party and its subsidiaries (taken as a whole) or on the ability of such party to complete the transactions contemplated by the merger agreement. In determining whether a material adverse effect has occurred or is reasonably likely, the parties will disregard any effects resulting from (1) changes in generally accepted accounting principles or regulatory accounting requirements applicable to banks or savings associations and their holding companies generally; (2) changes in the laws, rules or regulations of general applicability to banks or savings associations and their holding companies, generally, or their interpretations by courts or governmental authorities; (3) changes in global or national political conditions (including national emergencies, the outbreak of war or acts of terrorism) or in general economic or market conditions affecting banks, savings associations or their holding companies generally; (4) consummation or public disclosure of the merger agreement or the transactions contemplated therein; (5) actions or omissions of SunTrust or GB&T taken with the prior written consent of the other in contemplation of the transactions contemplated or required by the merger agreement; or (6) the application of SunTrust's credit quality standards (as opposed to GB&T's credit quality standards) in determining GB&T's non-performing assets. However, under the terms of the merger agreement, a material adverse effect will be deemed to occur to the extent the conditions discussed in clauses (1), (2) or (3) have a disproportionate impact on either SunTrust or GB&T, as the case may be, in comparison to the banking industry generally.

The representations and warranties in the merger agreement do not survive the completion of the merger or the termination of the merger agreement.

Conduct of Business Pending the Merger

GB&T has agreed, with respect to itself and each of its subsidiaries during the period from the date of the merger agreement until the completion of the merger (except as provided for in the merger agreement or with the prior written consent of SunTrust), that it will:

conduct its business in the ordinary course in all material respects;

use reasonable best efforts to maintain and preserve intact its business organization and advantageous business relationships and retain the services of its key officers and key employees; and

take no action that is intended to or would be reasonably expected to adversely affect or materially delay the ability of GB&T or SunTrust to obtain any necessary regulatory or governmental approvals required to complete the merger or to perform its covenants and agreements under the merger agreement or to consummate the transactions contemplated by the merger agreement.

In addition, GB&T has agreed, with respect to itself and each of its subsidiaries during the period from the date of the merger agreement until the completion of the merger (except as provided for in the merger agreement or with the prior written consent of SunTrust), that it will not:

other than in the ordinary course of business consistent with past practice (1) incur any indebtedness for borrowed money, (2) become responsible for the obligations of any other individual, corporation or other entity or (3) make any loan or advance or capital contribution to, or investment in, any person;

adjust, split, combine or reclassify any of its capital stock;

make, declare or pay any dividend, or make any other distribution on, or directly or indirectly redeem, purchase or otherwise acquire, any shares of its capital stock or any securities or obligations convertible into or exchangeable for any shares of its capital stock, except for:

regular quarterly cash dividends per share of GB&T common stock consistent with past practice, subject to the provisions of the merger agreement (See Dividends beginning on page 53),

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dividends paid by any of the subsidiaries of GB&T to GB&T or to any of its wholly owned subsidiaries,

the acceptance of shares of GB&T common stock as payment of the exercise price of stock options or for withholding taxes incurred in connection with the exercise of GB&T stock options, or the vesting of restricted stock or other GB&T stock based awards, in accordance with past practice and the terms of the applicable award agreements, or

open market purchases pursuant to GB&T retirement savings or dividend reinvestment plans;

grant any GB&T stock options, restricted shares or other stock based award with respect to shares of GB&T common stock, or grant any individual, corporation or other entity any right to acquire any shares of its capital stock;

issue any additional shares of capital stock or other securities, except pursuant to the exercise of GB&T stock options or the settlement of any GB&T stock based awards outstanding as of the date of the merger agreement;

except as required by applicable law or the terms of any GB&T employee benefit plan, and except for certain retention arrangements, subject to the written consent of SunTrust, with a limited number of key employees whose retention is reasonably necessary to consummate the merger (which, in any event, may not extend past the date of the completion of the merger without the consent of SunTrust),

increase the wages, salaries, incentive compensation or incentive compensation opportunities of any officer, employee or director of GB&T or pay or provide, or increase or accelerate the accrual rate, vesting or timing of payment or funding of, any compensation, benefits or other rights of any officer, employee or director (excepting, with respect to employees who are not GB&T directors or officers, normal increases made in the ordinary course of business consistent with past practices),

pay any bonus, other than bonuses to employees who are not executive officers or directors made in the ordinary course of business and consistent with past practices, or

establish, adopt or become a party to any new employee benefit or compensation plan, program, commitment or agreement or amend any current GB&T employee benefit plan;

except in the ordinary course of business consistent with past practice or pursuant to contracts in force on the date of the merger agreement, sell, transfer, mortgage, encumber or otherwise dispose of any material amount of its properties or assets to any person other than a subsidiary or cancel, release or assign any material amount of indebtedness to any person or any claims held by any person;

except as required by applicable law or by regulations or policies imposed by a governmental authority, enter into any new line of business or change in any material respect its lending, investment, underwriting, risk and asset liability management or other banking, operating and servicing policies;

acquire or agree to acquire any business or any corporation, partnership, association or other business organization or division, or acquire any assets or make any investments which would be material to GB&T, other than in connection with foreclosures and settlements in lieu of foreclosure in the ordinary course of business consistent with prudent banking practices;

open, close, sell or acquire any branches;

take any action, or knowingly fail to take any action, which action or failure to act would reasonably be likely to prevent the merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code;

amend its articles of incorporation or bylaws, or otherwise take any action to exempt any person (other than SunTrust or its subsidiaries) or any action taken by any person from any takeover statute or similarly restrictive provisions of its organizational documents or terminate, amend or waive any provisions of any confidentiality or standstill agreements in place with any third parties;

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restructure or materially change its investment securities portfolio or its gap position, through purchases, sales or otherwise, or the manner in which the portfolio is classified or reported;

except in furtherance of loan collection efforts in the ordinary course of business, commence or settle any claim, action or proceeding where the amount in dispute is in excess of \$100,000 or subjecting GB&T or any of its subsidiaries to any material restriction on its current or future business or operations (including the future business and operations of the surviving corporation in the merger);

take any action or fail to take any action that is intended or may reasonably be expected to result in any of its representations and warranties in the merger agreement being or becoming untrue in any material respect, or in any conditions to the merger not being satisfied;

implement or adopt any material change in its tax accounting or financial accounting principles, practices or methods, other than as may be required by applicable law, generally accepted accounting principles or regulatory guidelines;

file any tax return (other than in the ordinary course of business), amend any tax return, make any significant change in any method of tax or accounting (other than as required by applicable law, generally accepted accounting principles or regulatory guidelines), make or change any tax election, enter into any closing agreements, settle or compromise any tax liability, claim or assessment in excess of \$100,000;

surrender any right to claim a refund of taxes, consent to any extension or waiver of the limitation period applicable to any tax claim or assessment relating to GB&T or any of its subsidiaries;

take any action relating to the filing of any tax return or the payment of any tax, if such action would have the effect of increasing the tax liability of GB&T or any of its subsidiaries for any period ending after the completion of the merger or decreasing any tax attribute of GB&T or any of its subsidiaries existing as of completion of the merger;

except for transactions in the ordinary course of business consistent with past practice, terminate or waive any material provision of any material contract or make any change in any instrument or agreement governing the terms of any of its securities, material leases or material contracts (other than normal renewals of contracts and leases without material adverse changes of terms);

take any action that would materially impede or materially delay the ability of GB&T or SunTrust to obtain any necessary approvals of any regulatory agency or governmental entity required for the completion of the transactions contemplated by the merger agreement;

fail to comply with the terms of any regulatory orders issued by any governmental entity;

make capital expenditures, other than in the ordinary and usual course of business consistent with past practice;

file any application to establish, or relocate or terminate the operations of, any banking office of GB&T or any of its subsidiaries; or

agree to take, make any commitment to take, or adopt any resolutions of its board of directors in support of, the actions mentioned above.

SunTrust has agreed, with respect to itself and its subsidiaries during the period from the date of the merger agreement until the completion of the merger (except as provided for in the merger agreement or with the prior written consent of GB&T), that it will not:

amend, repeal or otherwise modify its articles of incorporation or its bylaws in a manner that would adversely effect the GB&T shareholders or the merger;

take any action, or knowingly fail to take any action, which action or failure to act would reasonably be likely to prevent the merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code;

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take any action that is intended or may reasonably be expected to result in any of the conditions to completion of the merger not being satisfied;

take any action that would be reasonably expected to prevent, materially impede, materially impact or materially delay the ability of the parties to obtain any necessary approvals of any regulatory agency or governmental entity required for the transactions contemplated by the merger agreement;

take any action or fail to take any action that is intended or may reasonably be expected to result in any of its representations and warranties in the merger agreement being or becoming untrue in any material respect, or in any conditions to the merger not being satisfied; or

agree to take, make any commitment to take, or adopt any resolution of its board of directors in support of, the actions mentioned above.

Furthermore, at the time of or before the completion of the merger, GB&T has agreed, consistent with generally accepted accounting principles and to the extent not inconsistent with applicable laws, to work with SunTrust in good faith to establish collection procedures, internal valuation reviews, credit policies and practices and general valuation allowances which are consistent with guidelines used in the SunTrust system for GB&T's loan losses, current classified assets, investment portfolio and commercial, multi-family and residential mortgage loans. SunTrust has agreed, prior to completion of the merger, to provide GB&T with the assistance and direction necessary to conform any of GB&T's policies, practices, procedures and asset dispositions which are mutually agreeable to the parties. No adjustment to GB&T's general valuation allowances or reserves will be made until immediately before the merger is completed, and any actions taken by GB&T at the request of SunTrust pursuant to this review process will not be deemed a breach, violation of or failure to satisfy any representation, warranty, covenant, agreement, condition or any other provision of the merger agreement and will not be considered in determining whether any such breach, violation or failure to satisfy has occurred.

Reasonable Best Efforts to Obtain Required Shareholder Vote

GB&T will take all steps necessary to duly call and hold a meeting of its shareholders to be held as soon as is reasonably practicable for the purpose of voting upon the approval of the merger agreement. The GB&T board of directors will use its reasonable best efforts to obtain the approval of the GB&T shareholders in respect of the foregoing. Subject to certain provisions in the merger agreement (see **No Solicitation of Alternative Transactions** immediately below), the GB&T board of directors will affirmatively recommend that the GB&T shareholders vote in favor of the merger and approve the merger agreement. Moreover, GB&T will submit the merger agreement to its shareholders for approval at the shareholder meeting even if the GB&T board of directors has withdrawn, modified or qualified its recommendation, and GB&T will not subject to a vote of its shareholders certain other transaction proposals (see **No Solicitation of Alternative Transactions** immediately below) at any GB&T shareholder meeting.

No Solicitation of Alternative Transactions

GB&T has agreed that GB&T, GB&T's subsidiaries and the officers, directors, employees, agents or representatives (including any investment banker, financial advisor, attorney, accountant or other retained representative) of GB&T or any of its subsidiaries will not, directly or indirectly, (1) solicit, initiate, encourage, facilitate (including by way of furnishing information), or take any other action designed to facilitate any inquiries or proposals involving GB&T or any of its subsidiaries that, if consummated, would constitute an Alternative Transaction, (2) participate in any discussions or negotiations regarding an Alternative Transaction or (3) enter into any agreement regarding an Alternative Transaction.

For purposes of the merger agreement, the term *Alternative Transaction* means any of (1) a transaction pursuant to which any person (or group of persons) (other than SunTrust or its affiliates), directly or indirectly, acquires or would acquire more than 25% of the outstanding shares of GB&T common stock or outstanding voting power or of any new series or new class of preferred stock that would be entitled to a class or series vote with respect to the merger, whether from GB&T or pursuant to a tender offer or exchange offer or

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otherwise, (2) a merger, share exchange, consolidation or other business combination involving GB&T (other than the merger), (3) any transaction pursuant to which any person (or group of persons) (other than SunTrust or its affiliates) acquires or would acquire control of assets (including for this purpose the outstanding equity securities of subsidiaries of GB&T and securities of the entity surviving any merger or business combination including any of GB&T's subsidiaries) of GB&T, or any of its subsidiaries representing more than 25% of the fair market value of all the assets, net revenues or net income of GB&T and its subsidiaries, taken as a whole, immediately before such transaction or (4) any other consolidation, business combination, recapitalization or similar transaction involving GB&T or any of its subsidiaries, other than transactions contemplated by the merger agreement, as a result of which the holders of shares of GB&T immediately before such transactions do not, in the aggregate, own at least 75% of the outstanding shares of common stock and the outstanding voting power of the surviving or resulting entity in such transaction immediately after the consummation of such transaction in substantially the same proportion as the holders held the shares of GB&T common stock immediately before such transaction occurred.

The merger agreement permits GB&T to comply with Rule 14d-9 and Rule 14e-2(a) under the Securities Exchange Act of 1934, provided that such compliance does not limit or modify the effect of other provisions in the merger agreement. In addition, if GB&T receives a proposal for an Alternative Transaction, GB&T may engage in discussions and negotiations with, or provide nonpublic information to, the person making that proposal only if:

the GB&T board of directors receives the proposal for an Alternative Transaction prior to the GB&T shareholders meeting;

the GB&T board of directors, after consultation with outside legal counsel, reasonably determines in good faith that the failure to engage in those discussions or provide information would cause it to violate its fiduciary duties under applicable law;

the GB&T board of directors concludes in good faith that the proposal for an Alternative Transaction constitutes or is reasonably likely to result in a Superior Proposal (as described below); and

GB&T enters into a confidentiality agreement with the person making the inquiry or proposal on terms that are no less favorable to GB&T than those in the confidentiality agreement between SunTrust and GB&T.

For purposes of the merger agreement, the term **Superior Proposal** means a proposal for an Alternative Transaction that the GB&T board of directors in good faith determines would (if consummated) result in a transaction that is more favorable from a financial point of view to GB&T shareholders than the merger, (1) after receiving the financial advice of a nationally recognized investment banking firm, (2) after taking into account the likelihood of consummation of such transaction on the terms provided (as compared to the terms of the merger agreement) and (3) after taking into account all appropriate legal (with the advice of outside counsel), financial (including the financing terms of any such proposal), regulatory or other aspects of such proposal and any other relevant factors permitted by applicable law. For purposes of defining a **Superior Proposal** in the merger agreement, each reference to **25%** in the definition of **Alternative Transaction** will be deemed to be a reference to a majority.

GB&T must notify SunTrust, both orally and in writing, within 24 hours after receipt of (1) a proposal for an Alternative Transaction, (2) any material modification or material amendment to any proposal for an Alternative Transaction, (3) any request for nonpublic information relating to GB&T or any of its subsidiaries or (4) any request for access to the properties, books or records of GB&T or any of its subsidiaries by any person that informs the GB&T board of directors or any subsidiary that it is considering making, or has made, a proposal for an Alternative Transaction. The notice must identify the identity of the party making the proposal for an Alternative Transaction, requesting nonpublic information or requesting access to books and records, as well as the material terms of the proposal (or any modification or amendment to such proposal, as the case may be). GB&T must keep SunTrust

informed of any material changes in the status, and any material changes or modifications in the terms of, any such request for information or proposal for an Alternative

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Transaction, and must notify SunTrust, both orally and in writing, within 24 hours if GB&T enters into discussions or negotiations concerning any proposal for an Alternative Transaction.

If at any time prior to obtaining approval of the merger by the GB&T shareholders, GB&T receives a proposal for an Alternative Transaction (or a subsequent amended proposal for an Alternative Transaction) that the GB&T board of directors concludes in good faith constitutes a Superior Proposal (after giving effect to any adjustments offered by SunTrust pursuant to the procedure described immediately below), the GB&T board of directors may withdraw its recommendation of the merger agreement, so long as GB&T:

provides prior written notice to SunTrust, at least five days in advance, of its intention to withdraw its recommendation in response to a Superior Proposal (including the material terms and conditions of the Superior Proposal and the identity of the party making the Superior Proposal);

contemporaneously provides with such written notice a copy of all relevant proposed transaction agreements with the party making the Superior Proposal, along with other material documents; and

negotiates, along with its financial and legal advisors, in good faith with SunTrust, during the five day period between giving notice of the Superior Proposal and withdrawing its recommendation of the merger agreement, to make adjustments to the terms and conditions of the merger agreement so that the proposal in question no longer constitutes a Superior Proposal.

Termination of the Merger Agreement

General

The merger agreement may be terminated at any time prior to completion of the merger, whether before or after the approval of the merger by GB&T shareholders, in any of the following ways:

by mutual consent of SunTrust and GB&T in a written instrument, if the board of directors of each party so determines by a majority vote of its entire board of directors;

by either SunTrust or GB&T, if any governmental entity that must grant regulatory approval for the conditions to completion of the merger to be satisfied has denied such approval, and such denial has become final and nonappealable;

by either SunTrust or GB&T, if any governmental entity of competent jurisdiction has issued a final and nonappealable order enjoining or otherwise prohibiting the merger;

by either SunTrust or GB&T, if GB&T shareholders representing a majority of the shares of common stock entitled to vote on the merger do not approve the merger at a duly held meeting of shareholders;

by either SunTrust or GB&T, if the merger is not completed on or before July 31, 2008, unless the failure of the closing to occur by this date is due to the failure of the party seeking to terminate the merger agreement to perform or observe its covenants and agreements contained in the merger agreement;

by either SunTrust or GB&T, if (1) the terminating party is not then in breach of any representation, warranty, covenant or other agreement contained in the merger agreement and (2) there has been a breach of any of the covenants, agreements, representations or warranties of the other party in the merger agreement, which breach is not cured within 45 days following written notice to the party committing the breach, or which breach, by its

nature, cannot be cured prior to the closing date of the merger, and which breach, individually or together with all other breaches, would, if occurring or continuing on the date of the merger's completion, result in the failure of any of the conditions relating to tax opinions, regulatory approvals, performance of obligations and covenants, or representations or warranties described under "Conditions to the Completion of the Merger"; or

by SunTrust, if the GB&T board of directors fails to publicly recommend the approval of the merger and the adoption of the merger agreement or, in a manner adverse to SunTrust, (1) withdraws, modifies or qualifies, or proposes to withdraw, modify or qualify, the recommendation of the merger and the

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merger agreement to the GB&T shareholders, (2) takes any public action or makes any public statement in connection with the meeting where the GB&T shareholders are to vote upon the merger (including not taking action to convene such meeting) that is inconsistent with its obligation to recommend the merger to the GB&T shareholders under the merger agreement or (3) recommends any proposal for an Alternative Transaction to the GB&T shareholders (see *No Solicitation of Alternative Transactions* above).

Termination Fees

The merger agreement provides that GB&T may be required to pay a termination fee to SunTrust of up to \$6 million in the following circumstances:

If SunTrust terminates the merger agreement because (1) the GB&T board of directors did not publicly recommend that the GB&T shareholders approve the merger agreement, (2) in a manner adverse to SunTrust, after recommending that the GB&T shareholders approve the merger agreement, the GB&T board of directors withdrew, modified or amended its recommendation, (3) in a manner adverse to SunTrust, the GB&T board of directors took public action or made a public statement in connection with the meeting where the GB&T shareholders are to vote upon the merger (including not taking action to convene such meeting) that was inconsistent with its obligation to recommend the merger to the GB&T shareholders under the merger agreement or (4) in a manner adverse to SunTrust, the board of directors recommended a proposal for an Alternative Transaction (see *No Solicitation of Alternative Transactions* above) to the GB&T shareholders, then GB&T must pay SunTrust the full termination fee.

If (1) the merger agreement is terminated by either party because the required shareholder vote of GB&T was not obtained at the GB&T shareholders' meeting and (2) an Alternative Transaction was publicly announced or otherwise communicated to the GB&T board of directors on or before the date of the GB&T shareholders meeting (a *Public Proposal*) that has not been withdrawn, then GB&T must pay SunTrust one-third of the termination fee. If, within 12 months after this termination of the merger agreement, GB&T enters into any definitive agreement with respect to, or consummates, any Alternative Transaction, the remaining two-thirds of the termination fee will become payable to SunTrust.

If (1) the merger agreement is terminated by either party because the required shareholder vote of GB&T was not obtained at the GB&T shareholders' meeting and (2) no Alternative Transaction was publicly announced or communicated to the GB&T board of directors on or prior to that time, GB&T must pay SunTrust, in an amount not to exceed \$1 million, all of SunTrust's out-of-pocket expenses (including expenses of attorneys and other advisors) it incurred which relate to or arise out of the negotiation or execution of the merger agreement or any of the transactions contemplated by the merger agreement. If, within 12 months after this termination of the merger agreement, GB&T enters into any definitive agreement with respect to, or consummates, any Alternative Transaction, GB&T will owe SunTrust the full termination fee, less any out-of-pocket expenses previously paid by GB&T.

If (1) the merger agreement is terminated by either party because the merger has not been completed by July 31, 2008 and (2) a *Public Proposal* with respect to an Alternative Transaction was made and not withdrawn before the merger agreement was terminated, then GB&T must pay SunTrust one-third of the termination fee. If, within 12 months after this termination of the merger agreement, GB&T enters into any definitive agreement with respect to, or consummates, any Alternative Transaction, the remaining two-thirds of the termination fee will become payable to SunTrust.

Upon payment of all applicable termination fees and/or out-of-pocket expenses, as the case may be, GB&T will have no further liability to SunTrust at law or in equity with respect to such termination, or with respect to the failure of the

GB&T board of directors to convene a GB&T shareholders meeting to vote on the merger and/or recommend that the GB&T shareholders adopt the merger agreement.

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Effect of Termination

If the merger agreement is terminated, it will become void and there will be no liability on the part of SunTrust or GB&T or their respective officers or directors, except that:

neither party shall be relieved or released from any liabilities or damages arising out of its breach of any provision of the merger agreement; and

designated provisions of the merger agreement, including the payment of fees and expenses, the treatment of confidential information and, if applicable, the termination fee and/or expenses described immediately above, will survive the termination.

Description of Voting Agreements

Concurrently with the signing of the merger agreement, individuals who are also GB&T's directors and who beneficially own approximately 8%, in the aggregate, of the outstanding voting power of GB&T executed voting agreements with SunTrust pursuant to which they agreed to vote their shares in favor of the merger (the "Voting Agreements"). Pursuant to the terms of the Voting Agreements, these individuals have agreed that at any meeting of the GB&T shareholders and at any adjournment thereof, and in connection with any action of the GB&T shareholders taken by written consent, such individuals will, unless SunTrust votes such individuals' shares directly pursuant to the proxy granted by the Voting Agreements, (1) vote (or cause to be voted) their shares, in person or by proxy, in favor of adopting the merger agreement and approving the merger, (2) vote (or cause to be voted) their shares, by person or by proxy, against any action or agreement that would result in a breach of any representation, warranty, covenant or agreement of GB&T contained in the merger agreement or that would result in any of the conditions to the obligations of GB&T under the merger agreement not being fulfilled, and (3) vote (or cause to be voted) their shares, by person or by proxy, against any extraordinary corporate transaction (other than the merger) involving GB&T or any of its subsidiaries, including, but not limited to any Alternative Transaction.

The Voting Agreements grant SunTrust an irrevocable proxy to vote these individuals' shares of GB&T common stock on the matters set forth above.

Additionally, the Voting Agreements provide that these individuals will not sell, transfer, assign, pledge, hypothecate, tender or otherwise dispose of or limit their right to vote their shares, and will not take any action which would have the effect of preventing or disabling them from performing their obligations under the Voting Agreements.

For the term of the Voting Agreements, the individuals have agreed that neither they nor any of their representatives or affiliates will (1) solicit, initiate, encourage, induce or facilitate the making, submission or announcement of any Alternative Transaction, (2) furnish any information in connection with or in response to an Alternative Transaction or an inquiry or indication of interest that could lead to an Alternative Transaction, (3) participate in any discussions or negotiations regarding any Alternative Transaction, (4) enter into any contract or agreement regarding any Alternative Transaction, or (5) approve, endorse or recommend, or otherwise make or authorize any statement, recommendation or solicitation in support of, any Alternative Transaction (see "No Solicitation of Alternative Transactions" above).

The Voting Agreements provide that, notwithstanding anything contained in the Voting Agreements to the contrary, (1) these individuals make no agreement or understanding in any capacity other than in their capacity as record holders and beneficial owners of GB&T common stock, (2) nothing in the Voting Agreements will be construed to limit or affect any action or inaction of these individuals in their capacities as directors or officers of GB&T, and (3) these individuals will have no liability to SunTrust or any of SunTrust's affiliates for any action or inaction they may take in their capacities as directors or officers of GB&T.

The Voting Agreements will terminate upon the earlier of the consummation of the merger or the termination of the merger agreement according to its terms.

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Regulatory Approvals Required for the Merger

Federal Notices and Approvals

The merger is subject to prior approval by the Board of Governors of the Federal Reserve System (the Federal Reserve Board) under Section 3 of the Bank Holding Company Act of 1956, as amended (the BHCA).

Section 3 of the BHCA requires the Federal Reserve Board, when considering transactions such as the merger, to take into consideration the financial and managerial resources (including the competence, experience and integrity of the officers, directors and principal shareholders), the future prospects of the existing and proposed institutions and the effect of the transaction on the convenience and needs of the communities to be served and the effectiveness of the institutions in combating money laundering activities. In considering financial resources and future prospects, the Federal Reserve Board will, among other things, evaluate the adequacy of the capital levels of the parties to a proposed transaction and of the resulting institutions.

The BHCA prohibits the Federal Reserve Board from approving a merger if (1) it would result in a monopoly or be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States or (2) its effect in any section of the country would be substantially to lessen competition or to tend to create a monopoly, or if it would in any other respect result in a restraint of trade, unless the Federal Reserve Board finds that the anti-competitive effects of the merger are clearly outweighed by the probable effect of the transaction in meeting the convenience and needs of the communities to be served.

In addition, under the Community Reinvestment Act of 1977, as amended, the Federal Reserve Board must take into account the record of performance of the insured depository institution subsidiaries of SunTrust and GB&T in meeting the credit needs of the communities served by such institutions, including low- and moderate-income neighborhoods. Furthermore, applicable federal law provides for the publication of notice and public comment on applications filed with the Federal Reserve Board. The Federal Reserve Board frequently receives comments and protests from community groups and others and may, in its discretion, choose to hold public hearings on the application. Such comments and hearings could delay the regulatory approvals required for consummation of the merger.

The merger may not be completed until the 30th day (or, with the consent of the relevant agencies, the 15th day) following the date of the requisite Federal Reserve Board approval, during which period the United States Department of Justice may comment adversely on the merger (which has the effect of extending the waiting period to the 30th day following approval) or challenge the merger on antitrust grounds. The commencement of an antitrust action would stay the effectiveness of such an approval unless a court specifically orders otherwise.

The parties received the necessary regulatory approval from the Federal Reserve Board on February 8, 2008.

State Notices and Approvals

The merger also will be subject to approval by the Commissioner of the Georgia Department of Banking and Finance (the Georgia Commissioner) pursuant to Section 606 of Title 7, Chapter 1 of the Georgia Code. The Georgia Commissioner is required by statute to determine if (1) the merger would result in a monopoly or would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the State of Georgia; or (2) its effect in any section of the State of Georgia would be substantially to lessen competition or to tend to create a monopoly, or if it would in any other respect result in a restraint of trade, unless the Georgia Commissioner finds that the anticompetitive effects of the merger are clearly outweighed by the probable

effect of the transaction in meeting the convenience and needs of the community to be served. The Georgia Commissioner also must take into consideration the financial and managerial resources and future prospects of the company or companies and the banks concerned and the convenience and needs of the communities to be served.

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The parties received the necessary regulatory approval from the Georgia Department of Banking and Finance on January 25, 2008.

Material United States Federal Income Tax Consequences

The following is a discussion of the material United States federal income tax consequences of the merger to holders of GB&T common stock and to SunTrust and GB&T. This discussion is based upon the Code, the regulations of the United States Treasury Department, Internal Revenue Service rulings, and judicial and administrative rulings and decisions in effect on the date of this proxy statement/prospectus. These authorities may change at any time, possibly retroactively, and any change could affect the continuing validity of this discussion. This discussion does not address any tax consequences arising under the laws of any state, locality or foreign jurisdiction, and accordingly, is not a comprehensive description of all of the tax consequences that may be relevant to any given holder of GB&T common stock.

This discussion assumes that you hold your shares of GB&T common stock as capital assets and does not address the tax consequences that may be relevant if you receive special treatment under some United States federal income tax laws. Shareholders receiving this special treatment include but are not limited to:

- persons who are not United States persons (as defined in Section 7701(a)(30) of the Code);
- financial institutions;
- tax-exempt organizations;
- insurance companies;
- mutual funds;
- traders in securities that elect mark-to-market;
- dealers in securities or foreign currencies;
- persons who are subject to alternative minimum tax;
- holders of options granted by GB&T, or persons who received their GB&T common stock through the exercise of employee stock options or otherwise as compensation;
- persons who have a functional currency other than the U.S. dollar; and
- persons who hold shares of GB&T common stock as part of a hedge, constructive sale, straddle, conversion transaction or other integrated transaction.

Prior to the effectiveness of the registration statement, SunTrust will receive an opinion of King & Spalding LLP, and GB&T will receive an opinion of Troutman Sanders LLP (or, if applicable, an opinion of King & Spalding LLP), rendered on the basis of facts, representations of facts, covenants and assumptions set forth or referred to in such opinions, which such counsel will assume to be consistent with those existing at the effective time of the merger. The respective opinions will state that the merger will be treated for United States federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. The following discussion assumes that the merger

will be treated in this manner.

Treatment of GB&T Shareholders Receiving SunTrust Common Stock

GB&T shareholders who receive SunTrust common stock in exchange for their GB&T common stock will recognize no gain or loss for federal income tax purposes, except for any gain or loss recognized with respect to cash received in lieu of a fractional share of SunTrust common stock.

Tax Basis and Holding Period

Your tax basis in the SunTrust common stock received in the merger (including any fractional share interest deemed received and redeemed as described below) will equal your tax basis in the GB&T common stock surrendered in the merger. Your holding period in the shares of SunTrust common stock received in the

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merger (including any fractional share interest deemed received and redeemed as described below) will include your holding period for the shares of GB&T common stock surrendered in exchange therefor. If you have differing bases or holding periods in respect of your shares of GB&T common stock, you should consult your tax advisor prior to the exchange with regard to identifying the bases or holding periods of the particular shares of SunTrust common stock received in the merger.

Cash Received in Lieu of Fractional Shares

If you receive cash in lieu of a fractional share of SunTrust common stock, you will be treated as having received the fractional share pursuant to the merger and then as having exchanged the fractional share for cash in a redemption by SunTrust subject to Section 302 of the Code. As a result, you will generally recognize capital gain or loss equal to the difference between the amount of cash received and the portion of your adjusted tax basis in the shares of GB&T common stock allocable to the fractional share. Such gain or loss will be long-term capital gain or loss for United States federal income tax purposes if you have held your shares of GB&T common stock for more than one year at the time the merger is completed. Long-term capital gain of an individual is generally subject to a maximum United States federal income tax rate of 15%.

Backup Withholding

Unless you comply with certain reporting or certification procedures or are an exempt recipient (i.e., in general, corporations and certain other entities), you may be subject to a backup withholding tax of 28% with respect to any cash payments in lieu of a fractional share of SunTrust common stock you receive pursuant to the merger. Foreign shareholders should consult their tax advisors with respect to the application of withholding rules to any cash payments in lieu of a fractional share of SunTrust common stock received pursuant to the merger.

Reporting Requirements

You will be required to retain records pertaining to the merger and will be required to file with your United States federal income tax return for the year in which the merger takes place a statement setting forth certain facts relating to the merger.

Tax Opinions at Closing

Neither SunTrust nor GB&T will be obligated to complete the merger unless, in the case of SunTrust, it has received a further opinion of King & Spalding LLP, and, in the case of GB&T, it has received a further opinion of Troutman Sanders LLP (or, if applicable, an opinion of King & Spalding LLP), at the time of the merger, each stating that the merger will be treated for United States federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. Such opinions will be rendered on the basis of facts, representations of facts, covenants and assumptions set forth or referred to in such opinions.

Opinions of counsel are not binding on the Internal Revenue Service or the courts. Neither SunTrust nor GB&T has requested, nor do they intend to request, an advance ruling from the Internal Revenue Service as to the tax consequences of the merger. Accordingly, it is possible that the Internal Revenue Service and the courts will disagree with the conclusions reflected in such opinions.

Tax matters are complicated, and the tax consequences of the merger to you will depend on the facts of your particular situation. You are encouraged to consult your own tax advisor regarding the specific tax consequences of the merger, including the applicability and effect of any federal, state, local and foreign income and other tax laws.

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Extension, Waiver and Amendment of the Merger Agreement

Extension and Waiver

At any time prior to the completion of the merger, each of SunTrust and GB&T may, to the extent legally allowed:

extend the time for the performance of any of the obligations or other acts of the other party;

waive any inaccuracies in the other party's representations and warranties contained in the merger agreement; and

waive the other party's compliance with any of its agreements contained in the merger agreement, or waive compliance with any conditions to its obligations to complete the merger.

Amendment

Subject to compliance with applicable law, SunTrust and GB&T may amend the merger agreement at any time before or after approval of the merger agreement by the GB&T shareholders. However, after any approval of the merger agreement by the GB&T shareholders, there may not be (other than as contemplated by the terms of the merger agreement), without their further approval, (1) any amendment of the merger agreement that alters or changes the amount or the form of the consideration to be delivered to the GB&T shareholders, if such alteration or change would adversely affect the holders of any GB&T security, (2) any amendment to SunTrust's articles of incorporation that would adversely affect the holders of any GB&T security or (3) any amendment of the merger agreement that alters or changes the terms and conditions of the merger agreement, if such alteration or change would adversely affect the holders of any GB&T security.

Employee Benefit Plans and Existing Agreements

The merger agreement provides that for the 12 month period following the completion of the merger, SunTrust will continue to provide to persons actively employed by GB&T or one of its subsidiaries at the time of the merger's completion and who continue in employment with SunTrust or any of its subsidiaries (a Continuing Employee), employee benefits that are substantially similar to those provided to SunTrust employees. SunTrust will have a reasonable period of time following completion of the merger to transition a Continuing Employee from GB&T's employee benefits plans to benefit plans maintained by SunTrust.

For purposes of determining a Continuing Employee's eligibility to participate, vesting and entitlement to benefits (other than for purposes of benefit accrual), SunTrust will give full credit for the service a Continuing Employee had with GB&T or one of its subsidiaries prior to completion of the merger. For purposes of eligibility to participate in SunTrust's retirement plan, a Continuing Employee's benefits under such plan will be calculated under the personal pension account formula, and the Continuing Employee's service with GB&T or one of its subsidiaries will be recognized for purposes of eligibility to participate, vesting and pay credits for the Continuing Employee's personal pension account.

If a Continuing Employee who does not have an employment, change-in-control or severance agreement with GB&T or any of its subsidiaries is involuntarily terminated by SunTrust during the 12 months following completion of the merger, the Continuing Employee's right to severance pay will be determined in accordance with SunTrust's severance pay plan.

SunTrust is obligated under the merger agreement to honor all GB&T employment agreements, retention agreements, change-in-control agreements and deferred compensation agreements in effect as of November 2, 2007. Prior to completion of the merger, SunTrust retains the right to offer certain GB&T employees retention agreements to assist in the voluntary retention of GB&T employees following completion of the merger.

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Stock Exchange Listing

SunTrust common stock is listed on the NYSE. SunTrust has agreed to cause the shares of SunTrust common stock to be issued in the merger to be listed on the NYSE. It is a condition to completion of the merger that those shares be listed on the NYSE, subject to official notice of issuance.

Expenses

Except as discussed in - Termination of the Merger Agreement above, the merger agreement provides that each of SunTrust and GB&T will pay its own fees and expenses in connection with the merger, the merger agreement and the transactions contemplated by the merger agreement. However, SunTrust and GB&T will share equally the costs and expenses of printing and mailing this proxy statement/prospectus, as well as all filing and other fees paid to the Securities and Exchange Commission in connection with the merger.

Dividends

Prior to completion of the merger, SunTrust and GB&T will coordinate with each other on the declaration, record and payment dates for dividends, if any, on GB&T common stock and SunTrust common stock so that GB&T shareholders will not receive more than one dividend during any single quarter.

After considering GB&T's net loss for the fourth quarter and year ended December 31, 2007, GB&T's current capital requirements and financial condition, the challenging loan environment and the state of the financial institutions industry generally and discussions with SunTrust, the GB&T board of directors has determined not to declare a dividend in the first quarter of 2008. Although the terms of the merger agreement permit the GB&T board of directors to continue to pay its regular quarterly dividend through the closing of the merger, the GB&T board of directors believed that the payment of a quarterly dividend in the first quarter of 2008 would not be prudent for the reasons mentioned above.

Dissenters' Rights

The GBCC provides that shareholders of a corporation who are voting on a merger or consolidation generally are entitled to dissent from the transaction and obtain a judicial determination of the fair value of their shares. Dissenters' rights are not available to the holders of shares of a corporation, such as GB&T, that are either listed on a national securities exchange or held by more than 2,000 record shareholders by reason of a merger, share exchange or sale or exchange of property unless (a) the corporation's articles of incorporation or the resolutions of the corporation's board of directors approving the transaction provide otherwise, or (b) in the case of a merger or share exchange, the holders of the shares are required to accept anything other than shares in another corporation that are either listed on a national securities exchange or held by more than 2,000 record shareholders (except for cash payments in lieu of fractional shares). Neither GB&T's articles of incorporation nor the resolutions of the GB&T board of directors authorizing the merger provide for additional dissenters' rights. Moreover, SunTrust common stock is listed on the NYSE. Therefore, GB&T shareholders are not entitled to dissenters' rights by reason of the merger.

Anticipated Accounting Treatment

SunTrust will account for the merger using the purchase method of accounting. Under the purchase method, SunTrust will record, at fair value, the acquired assets and assumed liabilities of GB&T. To the extent the total purchase price exceeds the fair value of tangible and identifiable intangible assets acquired over the liabilities assumed, SunTrust will

record goodwill. Based on a closing price of \$54.56 of SunTrust common stock on the NYSE on March 10, 2008, management of SunTrust estimates that the total merger consideration (including issuance of common stock and assumption of options on common stock) if the closing occurred on such date would be approximately \$124.4 million (based on the number of fully diluted shares of GB&T outstanding on that date). Utilizing information as of December 31, 2007, estimated goodwill is currently expected to total approximately \$108.9 million. SunTrust will include in its consolidated results of operations the results of GB&T's operations after the merger is completed. Due to the fact that the proposed transaction is not material to SunTrust, no pro forma financial information is included in this proxy statement/prospectus, except to the extent included under Comparative Historical and Pro Forma Per Share Data above.

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Certain Interests of GB&T Directors and Executive Officers in the Merger

Some of GB&T's directors and executive officers have certain interests in the transaction in addition to their interests generally as GB&T shareholders. These interests are described below. The GB&T board of directors was aware of these interests and considered them, in addition to other matters, in approving the merger agreement and making its recommendation to GB&T shareholders.

GB&T Stock Options

Prior to the execution of the merger agreement, GB&T's directors and executive officers held options to purchase an aggregate of 73,909 shares of GB&T common stock with a weighted average exercise price of \$15.33 per share. All of these options have vested or will vest upon the consummation of the merger. Each option that remains outstanding at the effective time of the merger will be converted into an option to purchase the number of whole shares of SunTrust common stock equal to the number of shares of GB&T common stock subject to the stock option multiplied by 0.1562, rounded down to the nearest whole share. The exercise price per share of the SunTrust stock option will equal the exercise price for the GB&T stock option divided by 0.1562, rounded up to the nearest whole cent.

Employee Benefits

For a period of 12 months following the effective time of the merger, SunTrust has agreed to provide officers and employees of GB&T who continue employment with SunTrust or its subsidiaries with employee benefits, salaries or wages, and annual bonus opportunities that are available for similarly situated employees of SunTrust or its affiliates or subsidiaries. SunTrust will also give GB&T's employees credit for their years of service with GB&T for purposes of eligibility and vesting (but not benefit accrual) under SunTrust's employee benefit plans.

Employment Agreements and Change in Control Agreements

SunTrust will honor GB&T's employment agreements and change-in-control agreements with certain officers and employees, including any change-in-control payments required to be made thereunder. GB&T entered into change-in-control agreements with its executive officers, Richard A. Hunt and Gregory L. Hamby. In the event of a change in control of GB&T, the terms of the agreements become in effect for a certain term and provide certain compensation. The agreements with Messrs. Hunt and Hamby are terminable by the employee upon two weeks' notice to GB&T which, if terminated within 90 days of the effective date of the merger, will entitle the officer to the compensation recited therein, to be paid in a lump sum.

In addition, it is anticipated that Richard A. Hunt, GB&T's President and Chief Executive Officer, will be retained by SunTrust following completion of the merger to assist with transitional issues until the end of 2008 and will receive his current salary and health and welfare benefits for such period of time.

Indemnification and Insurance

SunTrust has agreed that all rights to indemnification and all limitations of liability existing in favor of indemnified parties under GB&T's articles of incorporation and bylaws as in effect on November 2, 2007, the date of the merger agreement, with respect to matters occurring prior to or at the effective time of the merger will survive the merger. In addition, SunTrust has agreed to cause the GB&T officers and directors to be covered by GB&T's directors' and officers' liability insurance policy (or a substitute policy) for six years following the effective time of the merger, subject to certain conditions (including a limitation that to maintain such policy, SunTrust will not be required to spend in excess of 200% of the annual premiums currently paid by GB&T).

Advisory Board Positions

In addition, as of the date of this proxy statement/prospectus, SunTrust has decided to allocate three seats on one of SunTrust's local advisory boards to be filled by current members of the GB&T board of directors. SunTrust made this decision following the execution of the merger agreement and had made no determination prior to such time as to which individuals, if any, would be selected to serve in such capacity following completion of the merger. The approximate annual compensation for an individual serving in this capacity is \$7,000.

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Noncompetition Agreements

Concurrently with the signing of the merger agreement, each director of GB&T entered into a noncompetition agreement pursuant to which such individual agreed not to compete with SunTrust. Subject to certain individualized exceptions, the agreements provide that each individual shall not provide any management services or business advice to any person or entity with respect to any activities or efforts which compete with SunTrust's business, whether as a director, officer, employee or independent contractor of any such person or entity, in the counties of Baldwin, Bartow, Carroll, Clarke, Cobb, Dawson, Forsyth, Gwinnett, Hall, Lumpkin, Paulding, Polk and Putnam in the State of Georgia, for a period of one year following the consummation of the merger.

Restrictions on Resales by Affiliates

Shares of SunTrust common stock issued in the merger will not be subject to any restrictions on transfer arising under the Securities Act of 1933, as amended, except for shares of SunTrust common stock issued to any GB&T shareholder who may be deemed to be an affiliate of SunTrust after completion of the merger. Former GB&T shareholders who were affiliates of GB&T prior to completion of the merger and who are not affiliates of SunTrust after the completion of the merger may sell their shares of SunTrust common stock received in the merger at any time. Former GB&T shareholders who are or become affiliates of SunTrust after completion of the merger will remain or be subject to the volume and sale limitations of Rule 144 under the Securities Act of 1933, as amended, until they are no longer affiliates of SunTrust. This proxy statement/prospectus does not cover resales of SunTrust common stock received by any person upon completion of the merger, and no person is authorized to make any use of this proxy statement/prospectus in connection with any resale.

DESCRIPTION OF SUNTRUST CAPITAL STOCK

General

The authorized capital stock of SunTrust consists of 750 million shares of SunTrust common stock, par value \$1.00 per share, and 50 million shares of SunTrust preferred stock, no par value. As of February 20, 2008, 350,829,847 shares of SunTrust common stock were outstanding, and 5,000 shares of SunTrust preferred stock were outstanding. The preferred stock may be issued in one or more series with such terms and at such times and for such consideration as the SunTrust board of directors determines. As of the date hereof, 2,329,503 shares of SunTrust common stock were reserved for issuance in accordance with the merger agreement and up to 40,000,000 shares of SunTrust common stock were reserved for issuance under various employee stock option or other benefit plans. As of the date hereof, 5,010 shares of SunTrust preferred stock were reserved for issuance in accordance with a stock purchase contract between SunTrust and SunTrust Preferred Capital I, a trust subsidiary of SunTrust.

The following summary of the terms of the capital stock of SunTrust is not intended to be complete and is subject in all respects to the applicable provisions of the GBCC, and is qualified by reference to the articles of incorporation and bylaws of SunTrust. To obtain copies of these documents, see [Where You Can Find More Information](#) beginning on page 65.

Common Stock

The outstanding shares of SunTrust common stock are fully paid and nonassessable. Holders of SunTrust common stock are entitled to one vote for each share held of record on all matters submitted to a vote of the shareholders. Holders of SunTrust common stock do not have pre-emptive rights and are not entitled to cumulative voting rights with respect to the election of directors. The SunTrust common stock is neither redeemable nor convertible into other securities, and there are no sinking fund provisions.

Subject to the preferences applicable to any shares of SunTrust preferred stock outstanding at the time, holders of SunTrust common stock are entitled to dividends when and as declared by the SunTrust board of

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directors from legally available funds and are entitled, in the event of liquidation, to share ratably in all assets remaining after payment of liabilities.

Preferred Stock

The board of directors of SunTrust may, without further action by the SunTrust shareholders, issue one or more series of SunTrust preferred stock and fix the rights and preferences of those shares, including the dividend rights, dividend rates, conversion rights, exchange rights, voting rights, terms of redemption, redemption price or prices, liquidation preferences, the number of shares constituting any series and the designation of such series. SunTrust currently has outstanding 5,000 shares of Perpetual Preferred Stock, Series A (the Series A Preferred Stock). Holders of SunTrust's Series A Preferred Stock have certain voting rights to elect directors in the event of the failure to pay dividends when due on the Series A Preferred Stock or other stock ranking on a parity with the Series A Preferred Stock. Additionally, so long as any shares of Series A Preferred Stock remain outstanding, the affirmative vote of the holders of at least two-thirds of the shares of Series A Preferred Stock outstanding at the time will be required to:

authorize or create, or increase the authorized or issued amount of, any class or series of capital stock ranking senior to the Series A Preferred Stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up, or reclassify any authorized shares of capital stock into Series A Preferred Stock; or

amend, alter or repeal the provisions of our articles of incorporation, whether by merger, consolidation or otherwise, so as to materially and adversely affect any right, preference, privilege or voting power of the Series A Preferred Stock or the holders thereof.

Anti-Takeover Provisions

In addition to the ability to issue preferred stock, SunTrust's articles of incorporation and bylaws contain additional provisions that may make it less likely that SunTrust management would be changed or that someone would acquire voting control of SunTrust without the consent of the SunTrust board of directors. For example, SunTrust's articles of incorporation contain supermajority voting requirements for approval of a business combination transaction unless certain fair price criteria are met.

COMPARISON OF GB&T AND SUNTRUST SHAREHOLDERS' RIGHTS

Each of SunTrust and GB&T is incorporated under Georgia law. Upon completion of the merger, the articles of incorporation and bylaws of SunTrust in effect immediately prior to the effective time of the merger will be the articles of incorporation and bylaws of the combined company. Consequently, after the effective time of the merger, the rights of former GB&T shareholders will be determined by reference to the SunTrust articles of incorporation and bylaws and the GBCC. The material differences between the rights of holders of GB&T common stock and the rights of holders of SunTrust common stock, resulting from the differences in their governing documents are summarized below.

The following summary does not purport to be a complete statement of the rights of holders of SunTrust common stock under applicable Georgia law, the SunTrust articles of incorporation and the SunTrust bylaws or the rights of the holders of GB&T common stock under applicable Georgia law, the GB&T articles of incorporation and GB&T bylaws, or a complete description of the specific provisions referred to below. This summary contains a list of the material differences but is not meant to be relied upon as an exhaustive list or a detailed description of the provisions discussed and is qualified in its entirety by reference to the GBCC and the governing corporate instruments of SunTrust and GB&T, to which the holders of GB&T common stock are referred. Copies of the governing corporate

instruments of SunTrust and GB&T are available, without charge, to any person, including any beneficial owner to whom this proxy statement/prospectus is delivered, by following the instructions listed under **Where You Can Find More Information** beginning on page 65.

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Authorized Capital

SunTrust's articles of incorporation authorize the board of directors to issue 750,000,000 shares of common stock, par value \$1.00, and 50,000,000 shares of preferred stock, no par value. As of February 20, 2008, 350,829,847 shares of common stock were outstanding and 5,000 shares of preferred stock were outstanding.

GB&T's articles of incorporation authorize the board of directors to issue 20,000,000 shares of common stock, no par value. As of February 20, 2008, 14,230,796 shares of common stock were outstanding.

Shareholder Nominations and Proposals for Business

SunTrust's bylaws provide that to be properly brought before a meeting of the shareholders, business and proposals must be:

specified in the notice of the meeting;

otherwise properly brought before the meeting by or at the direction of the board of directors; or

brought by shareholders who comply with the advance notice requirements set forth in the bylaws. The advance notice requirements in the SunTrust bylaws provide that for shareholder business or a shareholder proposal to be brought before a meeting, the shareholder must give notice of the business or proposal in writing to the corporate secretary not less than 120 days prior to the first anniversary of the date on which SunTrust first mailed proxy materials for the previous year's annual meeting regardless of any postponements or adjournments, provided that if the date of the annual meeting is advanced more than 30 days prior to or delayed by more than 30 days after the anniversary of the previous year's annual meeting, then the shareholder notice must be delivered no later than the close of business on the 10th day following the earlier of the day on which the notice of the date of the meeting was mailed and the day on which the public disclosure of the date of the meeting was made.

The SunTrust bylaws provide that nominations of directors may be made:

at a shareholders meeting by or at the direction of the board of directors;

by any nominating committee or person appointed by the board of directors; or

by any SunTrust shareholder entitled to vote for the election of directors at the meeting who complies with the notice procedures.

Nominations must also be submitted in writing to the corporate secretary.

To be timely, the shareholder's written notice must be delivered to SunTrust's executive offices in writing not less than 120 days prior to the first anniversary of the date on which SunTrust first mailed proxy materials for the previous year's annual meeting regardless of any postponements or adjournments, provided that if the date of the annual meeting is advanced more than 30 days prior to or delayed by more than 30 days after the anniversary of the previous year's annual meeting, then the shareholder's written notice must be delivered no later than the close of business on the 10th day following the earlier of the day on which the notice of the date of the meeting was mailed and the day on which the public disclosure of the date of the meeting was made.

GB&T's bylaws do not contain advance notice provisions for shareholder proposals or nominees. In accordance with Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the Exchange Act), shareholder proposals intended to be included in the proxy statement and presented at a regularly scheduled annual meeting must be received by GB&T at least 120 days before the anniversary of the date that the previous year's proxy statement was first mailed to shareholders. As provided in rules promulgated under the Exchange Act, if the annual meeting date has been changed by more than 30 days from the date of the prior year's meeting, or for special meetings, the proposal must be submitted within a reasonable time before GB&T begins to print and mail its proxy materials.

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Special Meeting of Shareholders

Under the GBCC, a special meeting of shareholders may be called by the board of directors or any other person authorized to do so in the articles of incorporation or the bylaws. In addition, the GBCC provides that a special meeting of shareholders may also be called by the holders of at least 25% of all votes entitled to be cast on any issue proposed to be considered at a special meeting or such greater or lesser percentages as the articles of incorporation or the bylaws provide.

SunTrust's bylaws allow the chairman, the president or the board of directors to call a special meeting, and provide that a special meeting shall be called by the board of directors upon written demand of the holders of more than 50% of the outstanding common stock.

GB&T's bylaws provide that a special meeting of shareholders may be called by the board of directors or upon written request of the holders of at least 25% of all of the shares of common stock of GB&T entitled to vote in an election of directors.

Business Combinations Involving Interested Shareholders

The SunTrust articles of incorporation provide that any business combination with or involving an interested shareholder or an affiliate of an interested shareholder requires the affirmative vote of the holders of at least 75% of the then outstanding common stock of SunTrust, including the affirmative vote of the holders of at least 75% of the then outstanding common stock not beneficially owned by the interested shareholder.

Business combination is defined to include the following:

a merger or consolidation of the company or any subsidiary with an interested shareholder (defined generally as a person beneficially owning 10% or more of the outstanding common stock of the corporation) or an affiliate of an interested shareholder;

a sale or other disposition with or to any interested shareholder of assets having a fair market value in excess of \$1,000,000;

the issuance by SunTrust of securities to any interested shareholder or an affiliate of an interested shareholder in exchange for cash or other consideration in excess of \$1,000,000;

the adoption of any plan for liquidation or dissolution proposed by an interested shareholder; or

any reclassification of securities or subsidiary merger which increases the equity ownership of any interested shareholder.

The restrictions are not applicable if the business combination has been approved by 3/4 of all the directors of the company or if the transaction meets all of the fair price criteria set forth in the SunTrust articles of incorporation intended to assure that all shareholders receive a fair price and equivalent consideration for their shares regardless of when they sell to the acquiring party.

The fair price requirements are designed to deter unfriendly acquisitions that do not satisfy the specified fair price requirements.

The GBCC authorizes Georgia corporations to adopt a provision which prohibits business combinations with interested shareholders occurring within five years of the date a person first becomes an interested shareholder. For purposes of this statute, business combinations are defined to include mergers, sales of 10% or more of the corporation's net assets, and certain issuances of securities, all involving the corporation and any interested shareholder. With limited exceptions, the Georgia business combination statute requires approval of a subject transaction in one of three ways:

prior to such person becoming an interested shareholder, the corporation's board of directors must have approved the business combination or the transaction which resulted in the shareholder becoming an interested shareholder;

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the interested shareholder must acquire at least 90% of the outstanding voting stock of the corporation (other than shares owned by officers, directors of the corporation and its affiliates and associates) in the same transaction in which such person becomes an interested shareholder; or

subsequent to becoming an interested shareholder, such person acquires additional shares resulting in ownership of at least 90% of the voting stock, other than shares owned by officers, directors of the corporation and its affiliates and associates, and obtains the approval of the business combination by the holders of a majority of the shares entitled to vote thereon, exclusive of the shares held beneficially by the interested shareholder and its affiliates and shares owned by officers, directors and their affiliates and associates.

SunTrust has elected in its articles of incorporation to be governed by the business combination statute.

For purposes of both the fair price provisions of the SunTrust bylaws and the business combination statute, an interested shareholder is defined as a person or entity that is the beneficial owner of 10% or more of the voting power of SunTrust's voting stock, or a person or entity that is an affiliate of SunTrust and, at any time within the two-year period immediately prior to the date in question, was the beneficial owner of 10% or more of the voting power of SunTrust's voting stock.

GB&T has not elected in its articles of incorporation to be governed by the business combination statute and has no analogous business combination or fair price provisions in its articles of incorporation.

Number of Directors

The SunTrust bylaws provide that the number of the board of directors shall be fixed by the board of directors. In addition, the SunTrust bylaws provide that in the absence of the board setting the number, the number shall be 15. Presently, the SunTrust board of directors consists of 18 members.

GB&T's articles of incorporation provide that its board of directors shall consist of at least seven, but not more than 25, members, the exact number to be determined from time to time by resolution of the board of directors. The number of directors may not be increased or decreased by more than two in any one year.

Policy on Majority Voting

Although SunTrust's articles of incorporation and bylaws do not so provide, SunTrust's corporate governance guidelines state that in any uncontested election of directors, any nominee who receives a greater number of withheld votes than votes for his or her election will tender his or her resignation from the board of directors for consideration by SunTrust's Governance and Nominating Committee within five days of the shareholders' meeting at which the election occurred. The Governance and Nominating Committee will consider such resignation and will make a recommendation to SunTrust's board of directors concerning acceptance or rejection of such resignation within 45 days of the shareholders' meeting at which the election occurred. The Governance and Nominating Committee will also consider a range of possible alternatives concerning the tendered resignation which may be appropriate, including, without limitation, acceptance of the resignation, rejection of the resignation, and rejection of the resignation coupled with a commitment to seek to address and cure the underlying reasons reasonably believed by the Governance and Nominating Committee to have substantially resulted in the withheld votes.

The SunTrust board of directors will take formal action on the Governance and Nominating Committee's recommendation no later than 75 days following the date of the shareholders' meeting at which the election occurred. Following the decision of the board of directors, SunTrust will publicly disclose, in a Form 8-K filed with the

Securities and Exchange Commission, the board of directors' decision together with a full explanation of the process by which the decision was made and, if applicable, the reason or reasons for rejecting the tendered resignation.

No SunTrust director who, in accordance with this policy, is required to tender his or her resignation will participate in the Governance and Nominating Committee's deliberations or recommendation, or the SunTrust

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board of directors' deliberations or recommendation, with respect to accepting or rejecting his or her resignation as a director.

SunTrust will include or summarize this policy on majority voting, as may be amended from time to time, in SunTrust's proxy statement for each meeting of its shareholders (annual or special) at which directors are to be elected.

GB&T's articles of incorporation, bylaws and corporate governance policies and guidelines contain no analogous policy or provision.

Removal of Directors

SunTrust's bylaws provide that directors may be removed at any time without cause only by the affirmative vote of at least 75% of the outstanding shares entitled to vote thereon, including the affirmative vote of at least 75% of the outstanding shares not beneficially owned by a 10% or greater shareholder.

GB&T's bylaws provide that the entire board of directors or any individual director may be removed with or without cause by a majority of the shares entitled to vote at an election of directors. The GB&T board of directors may remove a director from office if such director is adjudicated incompetent by a court, if he is convicted of a felony, if he files for protection from creditors under bankruptcy laws, if he does not, within 60 days after his election, accept the office in writing or by attendance at a meeting of the board of directors and fulfill any other requirements for holding the office of director, or if he fails to attend regular meetings of the board of directors for four consecutive meetings without having been excused by the board of directors.

Indemnification

SunTrust's bylaws provide that SunTrust shall indemnify an individual who is made a party to a proceeding because he or she is or was a director, officer or employee if he or she conducted himself or herself in good faith and, in the case of conduct in his or her official capacity, he or she reasonably believed his or her conduct was in the best interest of SunTrust, or in all other cases, he or she reasonably believed his or her conduct was at least not opposed to the best interests of SunTrust, and in the case of any criminal proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful. The termination of a proceeding by judgment, order, settlement or conviction, or upon plea of nolo contendere or its equivalent is not determinative that a person met the appropriate standard of conduct.

SunTrust's bylaws further provide that SunTrust shall not indemnify a person in connection with:

a proceeding by or in right of SunTrust, except for reasonable expenses if it is determined that the person has met the standard of conduct set forth in the preceding paragraph; or

for conduct if the person is judged liable for improperly receiving a personal benefit, whether or not involving action in his official capacity.

SunTrust's bylaws provide that upon receipt of a claim for indemnification by an employee, officer or director, SunTrust must make a determination that indemnification is permissible under the circumstances. The determination shall be made by:

if there are two or more disinterested directors, a majority vote of the disinterested directors or a majority of the members of a committee of two or more disinterested directors;

special legal counsel selected either by the board of directors as provided in the previous clause or, if there are fewer than two disinterested directors, then by all directors; or

the shareholders, excluding any shares under the control of a director who does not qualify as a director who does not qualify as disinterested.

Pursuant to the SunTrust bylaws, the authorization of indemnification is made in the same manner as the determination set forth above, provided that if there are fewer than two disinterested directors or if the

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determination is made by special legal counsel, then the authorization shall be made by the entire board of directors.

The SunTrust bylaws permit SunTrust to advance expenses to directors and officers as long as the director, officer, employee or agent receiving an advance:

furnishes SunTrust a written affirmation of his good faith belief that he has met the applicable standards of conduct; and

undertakes to repay the amounts advanced if it is ultimately determined that such director or officer was not entitled to be indemnified.

The SunTrust bylaws permit an employee, officer or director who is a party to a proceeding because he or she is an employee, officer or director to apply for indemnification or advancement of expenses to the court conducting the proceeding or to another court of competent jurisdiction. The court shall order indemnification or advancement of expenses if it determines (1) the person is entitled to indemnification under the SunTrust bylaws; or (2) in view of all the relevant circumstances, it is fair and reasonable to indemnify or advance expenses, even if (x) the person has not met the standard of conduct or (y) the person was judged liable in a proceeding by or in right of SunTrust or for receiving an improper benefit, but in the case of clause (y) only for reasonable expenses, unless a SunTrust articles of incorporation, a SunTrust bylaw or a contract or resolution approved by the shareholders otherwise provides. If the court determines that indemnification or advancement of expenses is appropriate, it may order SunTrust to pay the reasonable expenses incurred by the employee, officer or director in bringing the judicial proceeding to determine indemnification or advancement of expenses. The court may summarily determine, without a jury, SunTrust's obligation to advance expenses.

Finally, the SunTrust bylaws provide that the shareholders may vote, by majority of all the votes cast excluding the votes of any shares under the control of an interested director, to indemnify a person made party to a proceeding, including a proceeding by or in right of SunTrust, without regard to any other limits in the SunTrust bylaws except for:

any appropriation in violation of duty with respect to any business opportunity of SunTrust;

intentional misconduct or knowing violations of law;

unlawful distributions; or

any transaction in which the person received an unlawful benefit.

GB&T's bylaws provide that GB&T shall indemnify any person, his heirs, executors, or administrators, for reasonable expenses actually incurred in connection with any action, suit or proceeding, civil or criminal, to which he is made a party by reason of his having been a director, trustee, officer, employee or agent of GB&T or by serving at the request of GB&T as a director, trustee, officer, employee, or agent of another entity. However, GB&T may not indemnify any such person in relation to any matter in an action, suit or proceeding in which he has been finally adjudged to have been guilty of or liable for gross negligence, willful misconduct or criminal acts in the performance of his duties to GB&T or such other entity. Additionally, GB&T may not indemnify any such person in relation to any matter in such action, suit or proceeding which has been the subject of a compromise settlement unless the indemnification is approved by a court of competent jurisdiction, the shareholders holding a majority of the outstanding GB&T stock or a majority of the board of directors then in office, excluding any directors who are party to the same or substantially the same action, suit or proceeding.

GB&T's bylaws provide that GB&T may advance expenses incurred by its directors, trustees, officers, employees or agents in defending an action, suit or proceeding covered under its indemnification provisions if authorized by the board of directors. However, such payment will be made only if GB&T receives an undertaking by or on behalf of the director, trustee, officer, employee or agent to repay all amounts advanced unless it is ultimately determined that he is entitled to be indemnified by GB&T.

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Personal Liability of Directors

SunTrust's articles of incorporation eliminate a director's personal liability for monetary damages to SunTrust or any of its shareholders for any action taken as a director, except that such liability is not eliminated for:

any appropriation, in violation of such director's duties, of any business opportunity of SunTrust;

acts or omissions which involve intentional misconduct or a knowing violation of law;

unlawful distributions; or

any transaction from which the director received an improper personal benefit.

SunTrust's articles of incorporation provide that if at any time Georgia law is amended to further eliminate or limit the liability of a director, then the liability of each SunTrust director shall be limited to the fullest extent permitted thereby.

GB&T's articles of incorporation do not provide for elimination of director liability to GB&T or its shareholders. However, GB&T's articles of incorporation and bylaws provide that GB&T's officers and directors may be indemnified by GB&T for their actions as officers and directors to the maximum extent permitted by law.

Votes on Extraordinary Corporate Transactions

Under the GBCC, a sale or other disposition of all or substantially all of the corporation's assets, a merger of the corporation with and into another corporation, or a share exchange involving one or more classes or series of the corporation's shares or a dissolution of the corporation must be approved by the board of directors (except in certain limited circumstances) plus, with certain exceptions, the affirmative vote of the holders of a majority of all shares of stock entitled to vote thereon.

In addition, the SunTrust articles of incorporation provide that the affirmative vote of at least 75% of the outstanding common stock, including 75% of the outstanding common stock not beneficially owned by an interested shareholder, is required to amend or adopt any provision inconsistent with the fair price provisions of the SunTrust articles of incorporation or Article II (Directors) of the SunTrust bylaws. Also, any amendment or repeal of any part of Article X of the SunTrust bylaws effected by the directors shall require the affirmative vote of at least 75% of the full board of directors following at least ten days prior written notice to all directors of the specific proposal.

GB&T's articles of incorporation do not contain requirements in addition to the GBCC provisions.

Consideration of Other Constituencies

SunTrust's articles of incorporation provides that the SunTrust board of directors, when evaluating any offer of a person (as defined in the SunTrust articles of incorporation), other than SunTrust itself, to (1) make a tender or exchange offer for any equity security of SunTrust or any other security of SunTrust convertible into any equity security, (2) merge or consolidate SunTrust with another person, or (3) purchase or otherwise acquire all or substantially all of the properties and assets of SunTrust (an Acquisition Proposal), shall, in connection with the exercise of its business judgment in determining what is in the best interests of SunTrust and its shareholders, give due consideration to all relevant factors, including without limitation the consideration being offered in the Acquisition Proposal in relation to the then current market price, but also in relation to the then-current value of SunTrust in a freely negotiated transaction and in relation to the SunTrust board's then estimate of the future value of SunTrust as an

independent entity, the social and economic effects on the employees, customers, suppliers and other constituents of SunTrust and its subsidiaries and on the communities in which SunTrust and its subsidiaries operate or are located and the desirability of maintaining independence from any other entity.

GB&T's articles of incorporation do not contain an analogous provision.

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Amendment of Articles of Incorporation

The GBCC provides that certain relatively technical amendments to a corporation's articles of incorporation may be adopted by the directors without shareholder action. Generally, the GBCC requires a majority vote of the outstanding shares of each voting group entitled to vote to amend the articles of incorporation, unless the GBCC, the articles of incorporation, or a bylaw adopted by the shareholders requires a greater number of affirmative votes.

SunTrust's articles of incorporation provide that the affirmative vote of at least 75% of the outstanding common stock, including 75% of the outstanding common stock not beneficially owned by an interested shareholder, is required to amend or adopt any provision inconsistent with the fair price provisions of the SunTrust articles of incorporation.

GB&T's articles of incorporation do not provide additional requirements for amending the articles of incorporation beyond the GBCC requirements.

Amendment of Bylaws

Under the GBCC, shareholder action is generally not necessary to amend the bylaws, unless the articles of incorporation provide otherwise or the shareholders in amending or repealing a particular bylaw provide expressly that the board of directors may not amend or repeal that bylaw. The shareholders do, however, have the right to amend, repeal or adopt bylaws, except for bylaws that restrict the power of the board to manage the business.

SunTrust's articles of incorporation provide that, notwithstanding any provision of SunTrust's bylaws the affirmative vote of at least 75% of the outstanding common stock, including 75% of the outstanding common stock not beneficially owned by an interested shareholder, or the vote of 75% or more of the directors is required to amend Article II (Directors) of the SunTrust bylaws. Also, any amendment or repeal of any part of Article X of the SunTrust bylaws effected by the directors shall require the affirmative vote of at least 75% of the full board of directors following at least ten days prior written notice to all directors of the specific proposal.

Dividend Restrictions

Payment of dividends on SunTrust and GB&T common stock is subject to the GBCC, which provides that dividends may be paid in cash, property or stock unless the company is insolvent or the dividend payment would render it insolvent.

In addition, GB&T's bylaws provide that dividends may be paid only out of the retained earnings of GB&T, only when GB&T meets the paid-in capital and/or appropriated net earnings requirements of the Financial Institutions Code of Georgia, and only in compliance with the regulations of the Georgia Department of Banking and Finance regarding payment of dividends. SunTrust's bylaws contain no such provision.

LEGAL MATTERS

The validity of the SunTrust common stock to be issued to GB&T shareholders pursuant to the merger was passed upon by Raymond D. Fortin, Corporate Executive Vice President, General Counsel and Corporate Secretary of SunTrust. As of February 14, 2008, Mr. Fortin beneficially owned 110,469 shares of SunTrust common stock, which includes options to purchase and other forfeitable rights with respect to 88,863 shares which he is deemed to own beneficially pursuant to Rule 13d-3.

EXPERTS

Ernst & Young LLP, an independent registered public accounting firm, has audited SunTrust's consolidated financial statements included in SunTrust's Annual Report on Form 10-K for the year ended December 31, 2007,

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and the effectiveness of SunTrust's internal control over financial reporting as of December 31, 2007, as set forth in their reports, which are incorporated by reference in this proxy statement/prospectus. SunTrust's financial statements as of December 31, 2007 are incorporated by reference in reliance on Ernst & Young LLP's reports, given on their authority as experts in accounting and auditing.

The financial statements as of December 31, 2006 incorporated in this proxy statement/prospectus by reference to SunTrust's Annual Report on Form 10-K for the year ended December 31, 2007 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting. PricewaterhouseCoopers LLP has neither examined nor compiled any projections that may be reflected in this proxy statement/prospectus, and, accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto. The PricewaterhouseCoopers LLP report included in this proxy statement/prospectus relates to SunTrust's historical financial information. It does not extend to any prospective financial information and should not be read to do so.

GB&T's consolidated financial statements and the effectiveness of internal control over financial reporting incorporated in this proxy statement/prospectus by reference to GB&T's Annual Report on Form 10-K for the year ended December 31, 2007 have been so incorporated in reliance on the reports of Mauldin & Jenkins, LLC, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting. The audit report on GB&T's internal control over financial reporting as of December 31, 2007 expresses an opinion that management did not maintain effective internal control over financial reporting because of a material weakness described in their report.

SHAREHOLDER PROPOSALS

SunTrust

If the merger is completed, GB&T shareholders will become SunTrust shareholders.

Bylaw Provisions and Inclusion in This Year's Proxy Statement

In accordance with SunTrust's bylaws, a shareholder who desired to present a proposal for consideration at the 2008 annual meeting must have delivered the proposal to the address set forth below so that it was received no later than the close of business on November 10, 2007. The submission must have included the proposal and a brief statement of the reasons for it, the name and address of the shareholder (as they appear in SunTrust's stock transfer records), the class and number of SunTrust shares beneficially owned by the shareholder and a description of any material direct or indirect financial or other interest that the shareholder (or any affiliate or associate) may have had in the proposal. Proposals must have been addressed to SunTrust Banks, Inc., P.O. Box 4418, Mail Code 643, Atlanta, Georgia 30302, Attention: Corporate Secretary.

Presentation at Meeting

For any proposal that was not submitted for inclusion in the 2008 proxy statement (as described in the preceding paragraph) but is instead sought to be presented directly at the 2008 annual meeting, SEC rules generally permit management to vote proxies in its discretion (1) provided SunTrust advises shareholders in the 2008 proxy statement about the nature of the matter and how management intends to vote on such matter,

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if SunTrust received notice of the proposal before the close of business on January 24, 2008; and (2) provided SunTrust advised shareholders in the 2008 proxy statement that such proxy will confer such authority, if SunTrust does not receive notice of the proposal before the close of business on January 24, 2008. Notices of intention to present proposals at the 2008 annual meeting must have been addressed to SunTrust Banks, Inc., P.O. Box 4418, Mail Code 643, Atlanta, Georgia 30302, Attention: Corporate Secretary.

GB&T

GB&T will hold its 2008 annual meeting only if the merger is not consummated.

Inclusion in This Year's Proxy Statement

Shareholder proposals intended to be presented at GB&T's 2008 annual meeting must have been received by GB&T by December 20, 2007 in order to be eligible for inclusion in GB&T's proxy statement and form of proxy for that meeting. Such proposals must have been directed to GB&T Bancshares, Inc., P.O. Box 2760, Gainesville, Georgia 30503, Attention: Chief Financial Officer.

Presentation at Meeting

For any proposal that is not submitted for inclusion in the 2008 proxy statement, but is instead sought to be presented directly at the 2008 annual meeting, management will be able to vote proxies in its discretion if GB&T: (1) received notice of the proposal before the close of business on March 4, 2008 and advised shareholders in the 2008 proxy statement about the nature of the matter and how management intends to vote on such matter; or (2) did not receive notice of the proposal prior to the close of business on March 4, 2008. Notices of intention to present proposals at the 2008 annual meeting of must have been addressed to GB&T Bancshares, Inc., P.O. Box 2760, Gainesville, Georgia 30503, Attention: Chief Financial Officer.

WHERE YOU CAN FIND MORE INFORMATION

SunTrust and GB&T file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission, or SEC. You may read and copy any document that SunTrust or GB&T files at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. In addition, SunTrust's and GB&T's SEC filings are available to the public from the SEC's web site at <http://www.sec.gov>. SunTrust's SEC filings are also available at the offices of the New York Stock Exchange. For further information on obtaining copies of SunTrust's public filings at the New York Stock Exchange, you should call 212-656-5060.

SunTrust filed a registration statement on Form S-4 to register with the SEC the SunTrust common stock to be issued to GB&T shareholders in the merger. This proxy statement/prospectus is a part of that registration statement and constitutes a prospectus of SunTrust in addition to being a proxy statement of GB&T for the special meeting of GB&T shareholders. As allowed by SEC rules, this proxy statement/prospectus does not contain all the information you can find in the registration statement or the exhibits to the registration statement.

The SEC allows us to incorporate by reference information into this proxy statement/prospectus, which means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this proxy statement/prospectus, except for any information superseded by information in, or incorporated by reference in, this proxy statement/prospectus. This proxy statement/prospectus incorporates by reference the documents set forth below that we have previously filed with the SEC. These documents contain important information about our companies and their finances.

SunTrust Banks Inc. (file no. 001-08918)

Annual Report on Form 10-K for the year ended December 31, 2007;

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Current Reports on Form 8-K dated February 16, 2007 (Form 8-K/A filed on January 7, 2008), February 12, 2008 (except Item 7.01 and the related Exhibit 99.1 included in Item 9.01), February 26, 2008 and February 28, 2008; and

The description of SunTrust common stock set forth in a registration statement filed pursuant to Section 12 of the Exchange Act and any amendment or report filed for the purpose of updating that description.

GB&T Bancshares, Inc. (file no. 000-24203)

Annual Report on Form 10-K for the year ended December 31, 2007; and

The description of GB&T common stock set forth in a registration statement filed pursuant to Section 12 of the Exchange Act and any amendment or report filed for the purpose of updating that description.

We are also incorporating by reference all documents that we file with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act between the date of this proxy statement/prospectus and the date of the GB&T special meeting or, if sooner, the termination of the merger agreement. These include periodic reports, such as Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as proxy statements.

SunTrust has supplied all information contained or incorporated by reference into this proxy statement/prospectus relating to SunTrust, and GB&T has supplied all such information relating to GB&T.

If you are a shareholder, we may have sent you some of the documents incorporated by reference, but you can obtain any of them through us or the SEC. Documents incorporated by reference are available from us without charge, excluding all exhibits unless we have specifically incorporated by reference an exhibit in this proxy statement/prospectus. You may obtain documents incorporated by reference into this proxy statement/prospectus by requesting them in writing or by telephone from the appropriate party at the following address:

SunTrust Banks, Inc.
303 Peachtree Street, NE
Mail Code GA Atlanta 0634
Atlanta, Georgia 30308
Telephone: (404) 588-7711
Attn: Director of Investor Relations

GB&T Bancshares, Inc.
500 Jesse Jewell Parkway
P.O. Box 2760
Gainesville, Georgia 30501
Telephone: (770) 532-1212
Attn: Chief Financial Officer

You may also get more information at SunTrust's website, www.suntrust.com, by selecting Investor Relations and then selecting Financials & Regulatory Filings and then selecting SEC Filings, and at GB&T's website, www.gbtbancshares.com, by selecting Corporate Information and then selecting Documents. Information contained on the SunTrust and GB&T websites is expressly not incorporated by reference into this proxy statement/prospectus.

You should rely only on the information contained or incorporated by reference into this proxy statement/prospectus to vote on the proposals described in this document. We have not authorized anyone to provide you with information that is different from what is contained in this proxy statement/prospectus. If you are in a jurisdiction where the solicitation of proxies is unlawful, or if you are a person to whom it is unlawful to direct these types of activities, then the offer presented in this document does not extend to you. This proxy statement/prospectus is dated March 11, 2008. You should not assume that the information contained in the proxy statement/prospectus is accurate as of any date

other than such date, and neither the mailing of this proxy statement/prospectus to shareholders nor the issuance of SunTrust common stock in the merger shall create any implication to the contrary.

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APPENDIX A

**AGREEMENT AND PLAN OF MERGER
by and between
SUNTRUST BANKS, INC.
and
GB&T BANCSHARES, INC.
DATED AS OF NOVEMBER 2, 2007**

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AGREEMENT AND PLAN OF MERGER

This **AGREEMENT AND PLAN OF MERGER** is dated as of November 2, 2007 (this *Agreement*), by and among **GB&T BANCSHARES, INC.**, a Georgia corporation (*GB&T*), and **SUNTRUST BANKS, INC.** (*SunTrust*), a Georgia corporation.

WITNESSETH:

WHEREAS, the Boards of Directors of GB&T and SunTrust have determined that it is in the best interests of their respective companies and their shareholders to consummate the strategic business combination transaction provided for in this Agreement in which GB&T will, on the terms and subject to the conditions set forth in this Agreement, merge with and into SunTrust (the *Merger*), so that SunTrust is the surviving corporation in the Merger (sometimes referred to in such capacity as the *Surviving Corporation*);

WHEREAS, for federal income Tax purposes, it is intended that the Merger shall qualify as a reorganization under the provisions of Section 368(a) of the Internal Revenue Code of 1986, as amended (the *Code*), and this Agreement is intended to be and is adopted as a plan of reorganization for purposes of Sections 354 and 361 of the Code and within the meaning of Treasury Regulation Section 1.368-2(g);

WHEREAS, concurrently with the execution of this Agreement, each individual included on Schedule A attached hereto has executed an agreement (collectively, the *Voting Agreements*) between such individual and SunTrust governing the voting of all shares of GB&T Common Stock (as defined herein) owned by such individual at the GB&T Shareholders Meeting (as defined herein); and

WHEREAS, the parties desire to make certain representations, warranties and agreements in connection with the Merger and also to prescribe certain conditions to the Merger.

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties agree as follows:

ARTICLE I

THE MERGER

1.1 *The Merger.*

(a) Subject to the terms and conditions of this Agreement, in accordance with the Georgia Business Corporation Code (the *GBCC*), at the Effective Time GB&T shall merge with and into SunTrust. SunTrust shall be the Surviving Corporation in the Merger and shall continue its corporate existence under the laws of the State of Georgia. As of the Effective Time, the separate corporate existence of GB&T shall cease.

(b) SunTrust may at any time change the method of effecting the combination (including by providing for the merger of GB&T and a wholly owned subsidiary of SunTrust) if and to the extent SunTrust deems such change to be desirable; provided, however, that no such change shall (i) alter or change the amount or kind of the Merger Consideration provided for in this Agreement, (ii) adversely affect the Tax treatment of GB&T's shareholders as a result of receiving the Merger Consideration or the Tax treatment of either party pursuant to this Agreement, or (iii) materially impede or delay consummation of the transactions contemplated by this Agreement. GB&T shall, if requested by SunTrust, enter into one or more amendments to this Agreement prior to the Effective Time to effect any

change permitted by the foregoing sentence.

1.2 *Effective Time*. The Merger shall become effective as set forth in the certificate of merger (the *Georgia Certificate of Merger*) that shall be filed with the Secretary of State of the State of Georgia on the Closing Date. The term *Effective Time* shall be the date and time when the Merger becomes effective as set forth in the Georgia Certificate of Merger.

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1.3 *Effects of the Merger.* At and after the Effective Time, the Merger shall have the effects set forth in Section 14-2-1106 of the GBCC.

1.4 *Conversion of GB&T Common Stock.* At the Effective Time, by virtue of the Merger and without any action on the part of SunTrust, GB&T or the holder of any of the following securities:

(a) Each share of common stock, \$1.00 value per share, of SunTrust (the *SunTrust Common Stock*) issued and outstanding immediately before the Effective Time shall remain issued and outstanding and shall not be affected by the Merger.

(b) All shares of common stock, no par value per share, of GB&T issued and outstanding immediately before the Effective Time (the *GB&T Common Stock*) that are owned, directly or indirectly, by GB&T or SunTrust (other than shares of GB&T Common Stock held in trust accounts (including grantor or rabbi trust accounts), managed accounts and the like, or otherwise held in a fiduciary or agency capacity, that are beneficially owned by third parties (any such shares, *Trust Account Common Shares*)) and other than shares of GB&T Common Stock held, directly or indirectly, by GB&T or SunTrust in respect of a debt previously contracted (any such shares, *DPC Common Shares*) shall be cancelled and shall cease to exist and no stock of SunTrust and no other consideration shall be delivered in exchange therefor.

(c) Subject to Section 1.4(e), each share of GB&T Common Stock, except for shares of GB&T Common Stock owned by GB&T or SunTrust or any of their respective wholly owned Subsidiaries (other than Trust Account Common Shares and DPC Common Shares), shall be converted into the right to receive, without interest, that fraction of a fully paid and nonassessable share of SunTrust Common Stock (the *Merger Consideration*) equal to 0.1562 (the *Exchange Ratio*).

(d) All of the shares of GB&T Common Stock converted into the right to receive the Merger Consideration pursuant to this Article I shall no longer be outstanding, shall automatically be cancelled and shall cease to exist as of the Effective Time, and each certificate previously representing any such shares of GB&T Common Stock (each, a *Certificate*) shall thereafter represent only the right to receive the Merger Consideration (and, in the case of any fractional shares, cash in lieu thereof), into which the shares of GB&T Common Stock represented by such Certificate have been converted pursuant to this Section 1.4 and Section 2.2(f), as well as any dividends to which holders of GB&T Common Stock become entitled in accordance with Section 2.2(c).

(e) If, after the date of this Agreement and prior to the Effective Time, the outstanding shares of SunTrust Common Stock shall have been increased, decreased, changed into or exchanged for a different number or kind of shares or securities as a result of a reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in capitalization, an appropriate and proportionate adjustment shall be made to the Exchange Ratio.

1.5 *Stock Options and Other Stock-Based Awards.*

(a) Unless otherwise noted, the provisions of this Section 1.5 pertain to all plans sponsored by GB&T under which options and other stock-based amounts are awarded, including the GB&T 2007 Omnibus Incentive Plan (the *2007 Plan*) and the GB&T Stock Option Plan of 1997 (the *1997 Plan*) (collectively, the *GB&T Stock Plans*); provided, however, that any accelerated vesting performed pursuant to this Section 1.5 shall only be performed if required by the terms of the applicable GB&T Stock Plan as in effect on the date hereof without any further action by GB&T.

(b) As of the Effective Time, if required by and in accordance with the terms of the applicable GB&T Stock Plans, by virtue of the Merger and without any action on the part of the holders of any options or other stock-based awards, each participant in any of the GB&T Stock Plans shall fully and immediately vest in any options or other stock-based awards awarded under such GB&T Stock Plans.

(c) As of the Effective Time, by virtue of the Merger and without any action on the part of the holders thereof, each option to purchase shares of GB&T Common Stock granted to employees or directors of GB&T or any of its Subsidiaries under any of the GB&T Stock Plans that is outstanding immediately before the

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Effective Time (collectively, the *GB&T Options*) shall be converted into an option (an *Adjusted Option*) to purchase, on the same terms and conditions as applied to each such GB&T Option immediately before the Effective Time (taking into account any accelerated vesting of such GB&T Options in accordance with the terms thereof, including terms approved by the GB&T Board before the date of this Agreement as described on Section 1.5(c) of the GB&T Disclosure Schedule (as defined in Article III)), the number of whole shares of SunTrust Common Stock that is equal to the number of shares of GB&T Common Stock subject to such GB&T Option immediately before the Effective Time multiplied by the Exchange Ratio (rounded down to the nearest whole share), at an exercise price per share of SunTrust Common Stock (rounded up to the nearest whole cent) equal to the exercise price for each such share of GB&T Common Stock subject to such GB&T Option immediately before the Effective Time divided by the Exchange Ratio. In the case of any GB&T Option to which Section 421 of the Code applies by reason of its qualification under Section 422 of the Code, the above formula shall be adjusted, if necessary, to comply with Section 424(a) of the Code.

(d) As of the Effective Time, SunTrust shall assume the obligations and succeed to the rights of GB&T under the GB&T Stock Plans with respect to the Adjusted Options. GB&T and SunTrust agree that before the Effective Time each of the GB&T Stock Plans shall be amended, to the extent possible without requiring shareholder approval of such amendments, if and to the extent necessary and practicable, to reflect the transactions contemplated by this Agreement, including the conversion of GB&T Options granted to any employee or director of GB&T or any of its Subsidiaries under a GB&T Stock Plan that is outstanding immediately before the Effective Time pursuant to this Section 1.5 and the substitution of SunTrust for GB&T thereunder to the extent appropriate to effectuate the assumption of such GB&T Stock Plans by SunTrust. From and after the Effective Time, all references to GB&T (other than any references relating to a change in control of GB&T) in each GB&T Stock Plan and in each agreement evidencing any award of GB&T Options shall be deemed to refer to SunTrust, unless SunTrust determines otherwise.

(e) As of the Effective Time, each right of any kind, contingent or accrued, to receive shares of GB&T Common Stock or benefits measured by the value of a number of shares of GB&T Common Stock, and each award of any kind consisting of shares of GB&T Common Stock, granted under any other GB&T Benefit Plan (including restricted stock, restricted stock units, performance stock units, deferred stock units and dividend equivalents), other than GB&T Options (each, a *GB&T Stock-Based Award*), whether vested or unvested, which is outstanding or unsatisfied immediately prior to the Effective Time, shall cease to represent a right or award with respect to shares of GB&T Common Stock and shall be converted, at the Effective Time, into a right or award with respect to shares of SunTrust Common Stock (an *Assumed Stock-Based Award*), on the same terms and conditions (including expiration date, vesting and exercise provisions) as were applicable under the GB&T Stock-Based Awards (but taking into account any changes thereto, including the acceleration thereof, provided for in the GB&T Stock Plans or other GB&T Benefit Plan or in any award agreement thereunder by reason of this Agreement or the transactions contemplated hereby). The number of shares of SunTrust Common Stock subject to each such Assumed Stock-Based Award shall be equal to the number of shares of GB&T Common Stock subject to the GB&T Stock-Based Award, multiplied by the Exchange Ratio (rounded down to the nearest whole share of SunTrust Common Stock). All dividend equivalents credited to the account of each holder of a GB&T Stock-Based Award as of the Effective Time shall remain credited to such holder's account immediately following the Effective Time.

(f) SunTrust shall take all corporate action reasonably necessary to reserve for issuance a sufficient number of shares of SunTrust Common Stock upon the exercise of the Adjusted Options and settlement of the Assumed Stock-Based Awards. On or as soon as reasonably practicable following the Closing Date (and in no event more than ten business days after the Closing Date), SunTrust shall file a registration statement on an appropriate form or a post-effective amendment to a previously filed registration statement under the Securities Act (as defined below) with respect to the issuance of the shares of SunTrust Common Stock subject to the Adjusted Options and the Assumed Stock-Based Awards and shall use its reasonable efforts to maintain the effectiveness of such registration statement or registration statements (and maintain the current status of the prospectus or prospectuses contained therein) for so long as such

equity awards remain outstanding.

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1.6 *Tax Consequences.* It is intended that the Merger shall constitute a reorganization within the meaning of Section 368(a) of the Code, and that this Agreement shall constitute a plan of reorganization for purposes of Sections 354 and 361 of the Code.

1.7 *Board of Directors; Officers.* At the Effective Time, the directors of the Surviving Corporation shall be comprised of the directors of SunTrust immediately prior to the Effective Time and the officers of the Surviving Corporation shall consist of the officers of SunTrust immediately prior to the Effective Time.

1.8 *Articles of Incorporation.* At the Effective Time, the Articles of Incorporation of SunTrust shall be the Articles of Incorporation of the Surviving Corporation until thereafter amended in accordance with applicable law.

1.9 *Bylaws.* At the Effective Time, the Bylaws of SunTrust shall be the Bylaws of the Surviving Corporation until thereafter amended in accordance with applicable law.

ARTICLE II

DELIVERY OF MERGER CONSIDERATION

2.1 *Deposit of Merger Consideration.* At or before the Effective Time, SunTrust shall deposit, or shall cause to be deposited, with a bank or trust company mutually agreeable to GB&T, or SunTrust's transfer agent, pursuant to an agreement (the *Exchange Agent Agreement*) to act as exchange agent (the *Exchange Agent*) hereunder certificates representing the number of shares of SunTrust Common Stock sufficient to deliver, and SunTrust shall instruct the Exchange Agent to timely deliver, the aggregate Merger Consideration (together with, to the extent then determinable, any cash payable in lieu of fractional shares pursuant to Section 2.2(f)) (collectively, the *Exchange Fund*) and SunTrust shall instruct the Exchange Agent to timely pay such cash in lieu of fractional shares, in accordance with this Agreement.

2.2 *Delivery of Merger Consideration.*

(a) As soon as reasonably practicable after the Effective Time, the Exchange Agent shall mail to each holder of record (*Holder*) of Certificate(s) that immediately before the Effective Time represented outstanding shares of GB&T Common Stock whose shares were converted into the right to receive the Merger Consideration pursuant to Section 1.4 and any cash in lieu of fractional shares of SunTrust Common Stock to be issued or paid in consideration therefor (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to Certificate(s) shall pass, only upon delivery of Certificate(s) (or affidavits of loss in lieu of such Certificates) to the Exchange Agent and shall be substantially in such form and have such other provisions as shall be prescribed by the Exchange Agent Agreement (the *Letter of Transmittal*) and (ii) instructions for use in surrendering Certificate(s) in exchange for the Merger Consideration and any cash in lieu of fractional shares of SunTrust Common Stock to be issued or paid in consideration therefor in accordance with Section 2.2(f) upon surrender of such Certificate and any dividends or distributions to which such holder is entitled pursuant to Section 2.2(c).

(b) Upon surrender to the Exchange Agent of its Certificate or Certificates, accompanied by a properly completed Letter of Transmittal, a holder of GB&T Common Stock will be entitled to receive promptly after the Effective Time the Merger Consideration and any cash in lieu of fractional shares of SunTrust Common Stock to be issued or paid in consideration therefor in respect of the shares of GB&T Common Stock represented by its Certificate or Certificates. Until so surrendered, each such Certificate shall represent after the Effective Time, for all purposes, only the right to receive the Merger Consideration and any cash in lieu of fractional shares of SunTrust Common Stock to be issued or paid in consideration therefor upon surrender of such Certificate in accordance with, and any dividends or distributions to which such holder is entitled pursuant to, this Article II.

(c) No dividends or other distributions with respect to SunTrust Common Stock shall be paid to the holder of any unsurrendered Certificate with respect to the shares of SunTrust Common Stock represented thereby, in each case until the surrender of such Certificate in accordance with this Article II. Subject to the effect of applicable abandoned property, escheat or similar laws, following surrender of any such Certificate in

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accordance with this Article II, the record holder thereof shall be entitled to receive, without interest, (i) the amount of dividends or other distributions with a record date after the Effective Time theretofore payable with respect to the whole shares of SunTrust Common Stock represented by such Certificate and not paid and/or (ii) at the appropriate payment date, the amount of dividends or other distributions payable with respect to shares of SunTrust Common Stock represented by such Certificate with a record date after the Effective Time (but before such surrender date) and with a payment date subsequent to the issuance of the SunTrust Common Stock issuable with respect to such Certificate.

(d) In the event of a transfer of ownership of a Certificate representing GB&T Common Stock that is not registered in the stock transfer records of GB&T, the proper amount of shares of SunTrust Common Stock shall be paid or issued in exchange therefor to a person other than the person in whose name the Certificate so surrendered is registered if the Certificate formerly representing such GB&T Common Stock shall be properly endorsed or otherwise be in proper form for transfer and the person requesting such payment or issuance shall pay any transfer or other similar Taxes required by reason of the payment or issuance to a person other than the registered holder of the Certificate or establish to the satisfaction of SunTrust that the Tax has been paid or is not applicable.

The Exchange Agent (or, subsequent to the first anniversary of the Effective Time, SunTrust) shall be entitled to deduct and withhold from any cash in lieu of fractional shares of SunTrust Common Stock otherwise payable pursuant to this Agreement to any holder of GB&T Common Stock such amounts as the Exchange Agent or SunTrust, as the case may be, is required to deduct and withhold under the Code, or any provision of state, local or foreign Tax law, with respect to the making of such payment. To the extent the amounts are so withheld by the Exchange Agent or SunTrust, as the case may be, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Holder of shares of GB&T Common Stock in respect of whom such deduction and withholding was made by the Exchange Agent or SunTrust, as the case may be.

(e) After the Effective Time, there shall be no transfers on the stock transfer books of GB&T of the shares of GB&T Common Stock that were issued and outstanding immediately before the Effective Time other than to settle transfers of GB&T Common Stock that occurred before the Effective Time. If, after the Effective Time, Certificates representing such shares are presented for transfer to the Exchange Agent, they shall be cancelled and exchanged for the Merger Consideration and any cash in lieu of fractional shares of SunTrust Common Stock to be issued or paid in consideration therefor in accordance with the procedures set forth in this Article II.

(f) Notwithstanding anything to the contrary contained in this Agreement, no certificates or scrip representing fractional shares of SunTrust Common Stock shall be issued upon the surrender of Certificates for exchange, no dividend or distribution with respect to SunTrust Common Stock shall be payable on or with respect to any fractional share, and such fractional share interests shall not entitle the owner thereof to vote or to any other rights of a shareholder of SunTrust. In lieu of the issuance of any such fractional share, SunTrust shall pay to each former shareholder of GB&T who otherwise would be entitled to receive such fractional share an amount in cash (rounded to the nearest cent) determined by multiplying (i) the arithmetic average of the last reported per share sales prices of SunTrust Common Stock on the New York Stock Exchange (the *NYSE*) as reported by *The Wall Street Journal* for each of the five full consecutive NYSE trading days ending on the trading day immediately prior to the date of this Agreement (the *Market Price*) by (ii) the fraction of a share (after taking into account all shares of GB&T Common Stock held by such holder at the Effective Time and rounded to the nearest thousandth when expressed in decimal form) of SunTrust Common Stock to which such holder would otherwise be entitled to receive pursuant to Section 1.4.

(g) Any portion of the Exchange Fund that remains unclaimed by the shareholders of GB&T as of the first anniversary of the Effective Time may be paid to SunTrust. In such event, any former shareholders of GB&T who have not theretofore complied with this Article II shall thereafter look only to SunTrust with respect to the Merger

Consideration, any cash in lieu of any fractional shares and any unpaid dividends and distributions on the SunTrust Common Stock deliverable in respect of each share of GB&T Common Stock such shareholder holds as determined pursuant to this Agreement, in each case, without any interest thereon.

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Notwithstanding the foregoing, none of SunTrust, GB&T, the Exchange Agent or any other person shall be liable to any former holder of shares of GB&T Common Stock for any amount delivered in good faith to a public official pursuant to applicable abandoned property, escheat or similar laws.

(h) If any Certificate has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such Certificate to be lost, stolen or destroyed and, if reasonably required by SunTrust or the Exchange Agent, the posting by such person of a bond in such amount as SunTrust may determine is reasonably necessary as indemnity against any claim that may be made against it with respect to such Certificate, the Exchange Agent will issue in exchange for such lost, stolen or destroyed Certificate the Merger Consideration deliverable in respect thereof pursuant to this Agreement.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF GB&T

GB&T has delivered a disclosure schedule (the *GB&T Disclosure Schedule*) to SunTrust in connection with the execution of this Agreement setting forth, among other things, items the disclosure of which is necessary or appropriate either in response to an express disclosure requirement contained in a provision hereof or as an exception to one or more representations or warranties contained in this Article III or to one or more of GB&T's covenants contained herein; provided, however, that the mere inclusion of an item in such schedule as an exception to a representation or warranty shall not be deemed an admission that such item represents a material exception or material fact, event or circumstance or that such item has had or would be reasonably likely to have a Material Adverse Effect (as defined in Section 3.8) on GB&T. Except as set forth on the GB&T Disclosure Schedule, and subject to the standard set forth in Section 9.2, GB&T hereby represents and warrants to SunTrust as follows:

3.1 *Corporate Organization.*

(a) GB&T is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Georgia. GB&T has the corporate power and authority to own or lease all of its properties and assets and to carry on its business as it is now being conducted, and is duly licensed or qualified to do business in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned or leased by it makes such licensing or qualification necessary.

(b) GB&T is duly registered as a bank holding company under the Bank Holding Company Act of 1956, as amended (the *BHC Act*). True, complete and correct copies of the Articles of Incorporation of GB&T, as amended (the *GB&T Articles*), and the Bylaws of GB&T (the *GB&T Bylaws*), as in effect as of the date of this Agreement, have previously been made available to SunTrust.

(c) Each of GB&T's Subsidiaries (i) is duly incorporated or duly formed, as applicable to each such Subsidiary, and validly existing under the laws of its jurisdiction of organization, (ii) is duly licensed or qualified to do business and in good standing in all jurisdictions (whether federal, state, local or foreign) where its ownership or leasing of property or the conduct of its business requires it to be so licensed or qualified and (iii) has all requisite corporate power or other power and authority to own or lease its properties and assets and to carry on its business as now conducted. The articles of incorporation, bylaws and similar governing documents of each GB&T Subsidiary, copies of which have previously been made available to SunTrust, are true, complete and correct copies of such documents as of the date of this Agreement. As used in this Agreement, the word *Subsidiary*, when used with respect to either party, means any bank, corporation, partnership, limited liability company or other organization, whether incorporated or unincorporated, that is consolidated with such party for financial reporting purposes under U.S. generally accepted accounting principles (*GAAP*), and the terms *GB&T Subsidiary* and *SunTrust Subsidiary* shall mean any

direct or indirect Subsidiary of GB&T and SunTrust, respectively.

(d) The deposit accounts of GB&T's bank Subsidiaries are insured by the Federal Deposit Insurance Corporation (the *FDIC*) through the Deposit Insurance Fund to the fullest extent permitted by law, and all premiums and assessments required to be paid in connection therewith have been paid when due.

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(a) The authorized capital stock of GB&T consists of 20,000,000 shares of GB&T Common Stock, of which, as of October 31, 2007 (the *GB&T Capitalization Date*), 14,230,796 shares were issued and outstanding. As of the GB&T Capitalization Date, no shares of GB&T Common Stock were reserved for issuance except for shares of GB&T Common Stock reserved for issuance in connection with stock options under the GB&T Stock Plans, of which 3,000,000 were authorized and options to purchase 695,496 shares of GB&T Common Stock were outstanding as of the GB&T Capitalization Date. All of the issued and outstanding shares of GB&T Common Stock have been duly authorized and validly issued and are fully paid, nonassessable and free of preemptive rights. As of the date of this Agreement, no bonds, debentures, notes or other indebtedness of GB&T having the right to vote on any matters on which its shareholders may vote (*Voting Debt*) are issued or outstanding. As of the date of this Agreement, except pursuant to this Agreement, including with respect to the GB&T Stock Plans as set forth herein, GB&T does not have and is not bound by any outstanding subscriptions, options, warrants, calls, rights, commitments or agreements of any character calling for the purchase or issuance of, or the payment of any amount based on, any shares of GB&T Common Stock, Voting Debt or any other equity securities of GB&T or any securities representing the right to purchase or otherwise receive any shares of GB&T Common Stock, Voting Debt or other equity securities of GB&T. As of the date of this Agreement, and except as set forth in Section 3.2(a) of the GB&T Disclosure Schedule, there are no contractual obligations of GB&T or any of its Subsidiaries (i) to repurchase, redeem or otherwise acquire any shares of capital stock of GB&T or any equity security of GB&T or its Subsidiaries or any securities representing the right to purchase or otherwise receive any shares of capital stock or any other equity security of GB&T or its Subsidiaries or (ii) pursuant to which GB&T or any of its Subsidiaries is or could be required to register shares of GB&T capital stock or other securities under the Securities Act of 1933, as amended (the *Securities Act*). Other than the GB&T Options or as set forth on Section 3.2(a) of the GB&T Disclosure Schedule, no equity-based awards are outstanding as of the GB&T Capitalization Date. Except as set forth on Section 3.2(a) of the GB&T Disclosure Schedule, since January 1, 2007 through the date hereof, GB&T has not (A) issued or repurchased any shares of GB&T Common Stock, Voting Debt or other equity securities of GB&T other than (1) the issuance of shares of GB&T Common Stock in connection with the exercise of stock options to purchase GB&T Common Stock granted under the GB&T Stock Plans that were outstanding on January 1, 2007 or (2) shares repurchased pursuant to the authority of the GB&T Board as described in the GB&T SEC Reports, or (B) issued or awarded any options, restricted shares or any other equity-based awards under any of the GB&T Stock Plans. Each option granted under a GB&T Stock Plan (1) was granted in compliance with all applicable laws and all the terms and conditions of the GB&T Plans pursuant to which it was issued, (2) has an exercise price per share equal to or greater than the fair market value of a share of GB&T Common Stock at the close of business on the date of such grant or the immediately preceding date, (3) has a grant date identical to the date on which the option granted under a GB&T Stock Plan was actually granted, and (4) qualified for the tax and accounting treatment afforded to such option granted under a GB&T Stock Plan in a GB&T's tax returns and GB&T's financial statements, respectively.

(b) Except as set forth on Section 3.2(b) of the GB&T Disclosure Schedule, all of the issued and outstanding shares of capital stock or other equity ownership interests of each Subsidiary of GB&T are owned by GB&T, directly or indirectly, free and clear of any material liens, pledges, charges and security interests and similar encumbrances (*Liens*), and all of such shares or equity ownership interests are duly authorized and validly issued and are fully paid, nonassessable (subject to 12 U.S.C. § 55) and free of preemptive rights. No such GB&T Subsidiary has or is bound by any outstanding subscriptions, options, warrants, calls, commitments or agreements of any character calling for the purchase or issuance of any shares of capital stock or any other equity security of such Subsidiary or any securities representing the right to purchase or otherwise receive any shares of capital stock or any other equity security of such Subsidiary.

(c) Section 3.2(c) of the GB&T Disclosure Schedule sets forth GB&T's or its Subsidiaries' capital stock, equity interest or other direct or indirect ownership interest in any person other than a GB&T Subsidiary, where such ownership

interest is equal to or greater than five percent of the total ownership interest of such person.

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(a) GB&T has requisite corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly approved by the Board of Directors of GB&T (the *GB&T Board*). The GB&T Board has determined that the Merger, on substantially the terms and conditions set forth in this Agreement, is advisable and in the best interests of GB&T and its shareholders, has recommended that GB&T's shareholders vote in favor of the Merger, on substantially the terms and conditions set forth in this Agreement, and has directed that the Merger, on substantially the terms and conditions set forth in this Agreement, be submitted to GB&T's shareholders for consideration at a duly held meeting of such shareholders and, except for the approval of this Agreement by the affirmative vote of the holders of a majority of the outstanding shares of GB&T Common Stock entitled to vote at such meeting, no other corporate proceedings on the part of GB&T are necessary to approve this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by GB&T and (assuming due authorization, execution and delivery by SunTrust) constitutes the valid and binding obligation of GB&T, enforceable against GB&T in accordance with its terms (except as may be limited by bankruptcy, insolvency, moratorium, reorganization or similar laws affecting the rights of creditors generally and subject to general principles of equity).

(b) Neither the execution and delivery of this Agreement by GB&T nor the consummation by GB&T of the transactions contemplated hereby, nor compliance by GB&T with any of the terms or provisions of this Agreement, will (i) violate any provision of the GB&T Articles or the GB&T Bylaws or (ii) assuming that the consents, approvals and filings referred to in Section 3.4 are duly obtained and/or made, (A) violate any statute, code, ordinance, rule, regulation, judgment, order, writ, decree or Injunction applicable to GB&T, any of its Subsidiaries or any of their respective properties or assets or (B) violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an event that, with notice or lapse of time, or both, would constitute a default) under, result in the termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any Lien upon any of the respective properties or assets of GB&T or any of its Subsidiaries under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument or obligation to which GB&T or any of its Subsidiaries is a party or by which any of them or any of their respective properties or assets is bound.

3.4 Consents and Approvals. Except for (a) the filing of applications and notices, as applicable, with the Board of Governors of the Federal Reserve System (the *Federal Reserve Board*) under the BHC Act, the Federal Reserve Act, as amended, and the Georgia Department of Banking and Finance (the *DBF*) and approval of such applications and notices, (b) the filing of any required applications, filings or notices with the FDIC and any other federal or state banking, insurance or other regulatory or self-regulatory authorities or any courts, administrative agencies or commissions or other governmental authorities or instrumentalities (each a *Governmental Entity*) and approval of such applications, filings and notices (the *Other Regulatory Approvals*), (c) the filing with the Securities and Exchange Commission (the *SEC*) of a Proxy Statement in definitive form relating to the meeting of GB&T's shareholders to be held in connection with this Agreement and the transactions contemplated by this Agreement (the *Proxy Statement*) and of a registration statement on Form S-4 (the *Form S-4*) in which the Proxy Statement will be included as a prospectus, and declaration of effectiveness of the Form S-4 and the filing and effectiveness of the registration statement contemplated by Section 1.5(f), (d) the filing of the Georgia Certificate of Merger with the Secretary of State of the State of Georgia pursuant to the GBCC, (e) any consents, authorizations, approvals, filings or exemptions in connection with compliance with the applicable rules and regulations of the Nasdaq Global Select Market, (f) notices or filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the *HSR Act*), if any, and (g) such filings and approvals as are required to be made or obtained under the securities or Blue Sky laws of various states in connection with the issuance of the shares of SunTrust Common Stock pursuant to this Agreement and approval of listing of such SunTrust Common Stock on the NYSE, no consents

or approvals of or filings or registrations with any Governmental Entity are necessary in connection with the consummation by GB&T of the Merger and the other transactions contemplated by this Agreement.

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No consents or approvals of or filings or registrations with any Governmental Entity are necessary in connection with the execution and delivery by GB&T of this Agreement.

3.5 Reports; Regulatory Matters.

(a) Except as set forth on Section 3.5(a) of the GB&T Disclosure Schedule, GB&T and each of its Subsidiaries have timely filed all reports, registrations and statements, together with any amendments required to be made with respect thereto, that they were required to file since January 1, 2004 with (i) the Federal Reserve Board, (ii) the FDIC, (iii) any state insurance commission or other state regulatory authority, (iv) any foreign regulatory authority, (v) any applicable industry self-regulatory organization, and (vi) the SEC (collectively, *Regulatory Agencies*) and with each other applicable Governmental Entity, and all other reports and statements required to be filed by them since January 1, 2004, including any report or statement required to be filed pursuant to the laws, rules or regulations of the United States, any state, any foreign entity or any Regulatory Agency or Governmental Entity, and have paid all fees and assessments due and payable in connection therewith. Except for normal examinations conducted by a Regulatory Agency or Governmental Entity in the ordinary course of the business of GB&T and its Subsidiaries, or as disclosed in the GB&T SEC Reports, no Regulatory Agency or Governmental Entity has initiated since January 1, 2004 or has pending any proceeding, enforcement action or, to the knowledge of GB&T, investigation into the business, disclosures or operations of GB&T or any of its Subsidiaries. Except as set forth on Section 3.5(a) of the GB&T Disclosure Schedule or as disclosed in the GB&T SEC Reports, since January 1, 2004, no Regulatory Agency or Governmental Entity has resolved any proceeding, enforcement action or, to the knowledge of GB&T, investigation into the business, disclosures or operations of GB&T or any of its Subsidiaries. Except as set forth on Section 3.5(a) of the GB&T Disclosure Schedule, there is no unresolved violation, criticism, comment or exception by any Regulatory Agency or Governmental Entity with respect to any report or statement relating to any examinations or inspections of GB&T or any of its Subsidiaries. Except as set forth on Section 3.5(a) of the GB&T Disclosure Schedule, since January 1, 2004, there has been no formal or informal inquiries by, or disagreements or disputes with, any Regulatory Agency or Governmental Entity with respect to the business, operations, policies or procedures of GB&T or any of its Subsidiaries (other than normal examinations conducted by a Regulatory Agency or Governmental Entity in GB&T's ordinary course of business or as disclosed in the GB&T SEC Reports).

(b) Except as set forth on Section 3.5(b) of the GB&T Disclosure Schedule or as disclosed in the GB&T SEC Reports, neither GB&T nor any of its Subsidiaries is subject to any cease-and-desist or other order or enforcement action issued by, or is a party to any written agreement, consent agreement or memorandum of understanding with, or is a party to any commitment letter or similar undertaking to, or is subject to any order or directive by, or has been ordered to pay any civil money penalty by, or has been since January 1, 2004 a recipient of any supervisory letter from, or since January 1, 2004 has adopted any policies, procedures or board resolutions at the request or suggestion of, any Regulatory Agency or other Governmental Entity (each item in this sentence, a *GB&T Regulatory Agreement*), nor has GB&T or any of its Subsidiaries been advised since January 1, 2004 by any Regulatory Agency or other Governmental Entity that it is considering issuing, initiating, ordering or requesting any such GB&T Regulatory Agreement. Except as set forth on Section 3.5(b) of the GB&T Disclosure Schedules, to the knowledge of GB&T, there has not been any event or occurrence since January 1, 2004 that would result in a determination that GB&T's bank Subsidiaries are not well capitalized and well managed as a matter of U.S. federal banking law, and there has been no notification or communication from any Governmental Entity (i) threatening to revoke any permit, license, franchise, certificate of authority or other governmental authorization, or (ii) threatening or contemplating revocation or limitation of, or which would have the effect of revoking or limiting, FDIC deposit insurance.

(c) GB&T has previously made available to SunTrust an accurate and complete copy of each final registration statement, prospectus, report, schedule and definitive proxy statement filed with or furnished to the SEC by GB&T since January 1, 2004 pursuant to the Securities Act or the Securities Exchange Act of 1934, as amended (the *Exchange Act*), and before the date of this Agreement (the *GB&T SEC Reports*). No such GB&T SEC Report, at

the time filed or furnished (and, in the case of registration statements and proxy statements, on the dates of effectiveness and the dates of the relevant meetings, respectively), contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or

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necessary in order to make the statements made therein, in light of the circumstances in which they were made, not misleading, except that information as of a later date (but before the date of this Agreement) shall be deemed to modify information as of an earlier date. As of their respective dates, all GB&T SEC Reports complied as to form in all material respects with the published rules and regulations of the SEC with respect thereto. No executive officer of GB&T has failed in any respect to make the certifications required of him or her under Section 302 or 906 of the Sarbanes-Oxley Act of 2002 (the *Sarbanes-Oxley Act*).

3.6 Financial Statements.

(a) The financial statements of GB&T and its Subsidiaries included (or incorporated by reference) in the GB&T SEC Reports (including the related notes, where applicable), as well as the financial statements of GB&T and its Subsidiaries for the fiscal quarter ended September 30, 2007 that have been provided to SunTrust (including any notes thereto), (i) have been prepared from, and are in accordance with, the books and records of GB&T and its Subsidiaries, (ii) fairly present in all material respects the consolidated results of operations, cash flows, changes in shareholders' equity and consolidated financial position of GB&T and its Subsidiaries for the respective fiscal periods or as of the respective dates therein set forth (subject in the case of unaudited statements to recurring year-end audit adjustments normal in nature and amount), (iii) complied as of their respective dates of filing with the SEC (or in the case of the September 30, 2007 financial statements, as of the date hereof), in all material respects with applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto and (iv) have been prepared in accordance with GAAP consistently applied during the periods involved, except, in each case, as indicated in such statements or in the notes thereto. The books and records of GB&T and its Subsidiaries have been, and are being, maintained in all material respects in accordance with GAAP and any other applicable legal and accounting requirements and reflect only actual transactions. Mauldin & Jenkins, LLC has served as independent registered public accountant for GB&T for all periods covered in the GB&T SEC Reports and through the fiscal quarter ended September 30, 2007; such firm has not resigned or been dismissed as independent public accountants of GB&T as a result of or in connection with any disagreements with GB&T on a matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

(b) Neither GB&T nor any of its Subsidiaries has any material liability of any nature whatsoever (whether absolute, accrued, contingent or otherwise and whether due or to become due), except for those liabilities that are reflected or reserved against on the consolidated balance sheet of GB&T included in the financial statements of GB&T for the fiscal quarter ended September 30, 2007 (including any notes thereto) that have been provided to SunTrust and for liabilities incurred in the ordinary course of business consistent with past practice since September 30, 2007 or in connection with this Agreement and the transactions contemplated hereby.

(c) Except as set forth on Section 3.6(c) of the GB&T Disclosure Schedules, since December 31, 2006, (i) through the date hereof, neither GB&T nor any of its Subsidiaries nor, to the knowledge of the officers of GB&T, any director, officer, employee, auditor, accountant or representative of GB&T or any of its Subsidiaries has received or otherwise had or obtained knowledge of any material complaint, allegation, assertion or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of GB&T or any of its Subsidiaries or their respective internal accounting controls, including any material complaint, allegation, assertion or claim that GB&T or any of its Subsidiaries has engaged in questionable accounting or auditing practices, and (ii) no attorney representing GB&T or any of its Subsidiaries, whether or not employed by GB&T or any of its Subsidiaries, has reported evidence of a material violation of securities laws, breach of fiduciary duty or similar violation by GB&T or any of its officers, directors, employees or agents to the GB&T Board or any committee thereof or to any director or officer of GB&T.

3.7 Broker's Fees. Neither GB&T nor any GB&T Subsidiary nor any of their respective officers or directors has employed any broker or finder or incurred any liability for any broker's fees, commissions or finder's fees in connection

with the Merger or related transactions contemplated by this Agreement, other than as set forth on Section 3.7 of the GB&T Disclosure Schedule and pursuant to letter agreements, true, complete and correct copies of which have been previously delivered to SunTrust.

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(a) Except as set forth in the GB&T SEC Reports and the financial statements of GB&T and its Subsidiaries for the fiscal quarter ended September 30, 2007 that have been provided to SunTrust, since December 31, 2006, no event has occurred that has had or is reasonably likely to have, either individually or in the aggregate with all other events, a Material Adverse Effect on GB&T. As used in this Agreement, the term *Material Adverse Effect* means, with respect to SunTrust, GB&T or the Surviving Corporation, as the case may be, a material adverse effect on (i) the business, results of operations or financial condition of such party and its Subsidiaries taken as a whole (provided, however, that, with respect to this clause (i), a Material Adverse Effect shall not be deemed to include effects to the extent resulting from (A) changes, after the date hereof, in generally accepted accounting principles or regulatory accounting requirements applicable to banks or savings associations and their holding companies, generally, (B) changes, after the date hereof, in laws, rules or regulations of general applicability to banks or savings associations and their holding companies, generally, or interpretations thereof by courts or Governmental Entities, (C) changes, after the date hereof, in global or national political conditions (including national emergencies, the outbreak of war or acts of terrorism) or in general economic or market conditions affecting banks, savings associations or their holding companies generally, (D) consummation or public disclosure of this Agreement or the transactions contemplated hereby or compliance with the terms hereof, (E) actions or omissions of SunTrust or GB&T taken with the prior written consent of the other in contemplation of the transactions contemplated hereby or required hereunder or (F) the application of SunTrust's credit quality standards (as opposed to GB&T's credit quality standards) in determining GB&T's non-performing assets; and provided, further, that, with respect to this clause (i) a Material Adverse Effect shall be deemed to include the circumstances and conditions discussed in clauses (A), (B) and (C) to the extent such changes have a disproportionate impact on either SunTrust and its Subsidiaries or GB&T and its Subsidiaries (on a consolidated basis, in each respective case), as the case may be, in comparison to the banking industry generally, or (ii) the ability of such party to timely consummate the transactions contemplated by this Agreement.

(b) Since December 31, 2006 through and including the date of this Agreement, GB&T and its Subsidiaries have carried on their respective businesses in all material respects in the ordinary course of business consistent with their past practice.

(c) Except as set forth on Section 3.8 of the GB&T Disclosure Schedule, since December 31, 2006, neither GB&T nor any of its Subsidiaries has (i) except for (A) normal increases for employees (other than officers subject to the reporting requirements of Section 16(a) of the Exchange Act) made in the ordinary course of business consistent with past practice or (B) as required by applicable law or pre-existing contractual obligations, increased the wages, salaries, compensation, pension or other fringe benefits or perquisites payable to any executive officer, employee or director from the amount thereof in effect as of December 31, 2006, granted any severance or termination pay, entered into any contract to make or grant any severance or termination pay (in each case, except as required under the terms of agreements or severance plans listed on Section 3.11 of the GB&T Disclosure Schedule, as in effect as of the date hereof), or paid any bonus other than the customary year-end bonuses in amounts consistent with past practice, (ii) granted any stock appreciation rights or options to purchase shares of GB&T Common Stock, any restricted shares of GB&T Common Stock or any right to acquire any shares of its capital stock to any executive officer, director or employee other than grants to employees (other than officers subject to the reporting requirements of Section 16(a) of the Exchange Act) made in the ordinary course of business consistent with past practice under the GB&T Stock Plans, (iii) changed any accounting methods, principles or practices of GB&T or its Subsidiaries affecting its assets, liabilities or businesses, including any reserving, renewal or residual method, practice or policy, (iv) suffered any strike, work stoppage, slow-down or other labor disturbance, (v) declared, set aside or paid any dividend or other distribution (whether in cash, stock or property) with respect to any GB&T Common Stock, other than customary dividends, (vi) except for the issuance of stock options granted under the GB&T Stock Plan as described in Section 3.2(a) and as disclosed on Section 3.2(a) of the GB&T Disclosure Schedule, effected or authorized any issuance, split, combination or reclassification of GB&T Common Stock or the capital stock of any GB&T Subsidiary, or (vii) made

any agreement or commitment (contingent or otherwise) to do any of the foregoing.

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(a) Except as disclosed on Section 3.9 of the GB&T Disclosure Schedule and for routine loan collection or foreclosure actions initiated by GB&T's bank Subsidiaries in the ordinary course of business, neither GB&T nor any of its Subsidiaries is a party to any, and there are no pending or, to the knowledge of GB&T, threatened, legal, administrative, arbitral or other material proceedings, claims, actions or governmental or regulatory investigations of any nature against GB&T or any of its Subsidiaries, or otherwise challenging the validity or propriety of the transactions contemplated by this Agreement. None of the proceedings, claims, actions or governmental or regulatory investigations set forth on Section 3.9 of the GB&T Disclosure Schedule and none of the routine loan collection or foreclosure actions initiated by GB&T's bank Subsidiaries in the ordinary course of business would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on GB&T.

(b) There is no Injunction, judgment or regulatory restriction (other than those of general application that apply to similarly situated bank holding companies or their Subsidiaries) imposed upon GB&T, any of its Subsidiaries or the assets of GB&T or any of its Subsidiaries.

3.10 *Taxes and Tax Returns.*

(a) Each of GB&T and its Subsidiaries has duly and timely filed (including all applicable extensions) all Tax Returns required to be filed by it on or before the date of this Agreement (except as set forth on Section 3.10(a)(1) of the GB&T Disclosure Schedule, all such returns being accurate and complete in all material respects and prepared in substantial compliance with all applicable laws and regulations), has paid all Taxes due and owing by such entity (whether or not shown on such Tax Returns). Each of GB&T and its Subsidiaries has duly paid or made provision for the payment of all Taxes that have been incurred or are due or claimed to be due from it by federal, state, foreign or local taxing authorities (including, without limitation, if and to the extent applicable, those due in respect of its properties, income, business, capital stock, deposits, franchises, licenses, sales and payrolls) other than Taxes that are not yet delinquent, or are being contested in good faith by GB&T or its Subsidiaries as disclosed on Section 3.10(a)(2) of the GB&T Disclosure Schedule, have not been finally determined and have been adequately reserved against. GB&T and its Subsidiaries have withheld and paid all Taxes required to have been withheld and paid in connection with any amounts paid or owing to any employee, independent contractor, creditor, stockholder or other third party. Except as set forth on Section 3.10(a)(1) or (a)(2) of the GB&T Disclosure Schedule, to the knowledge of GB&T and its Subsidiaries, GB&T and its Subsidiaries are not subject to examination, investigation, audit or administrative or judicial proceeding by the Internal Revenue Service (*IRS*) or any foreign, state or local taxing authority (including jurisdictions where GB&T and/or its Subsidiaries have not filed Tax Returns) and have not received any notice indicating an intent to open such audit, investigation, review or proceeding. There are no material disputes pending, or claims asserted, for Taxes or assessments upon GB&T or any of its Subsidiaries for which GB&T does not have adequately disclosed reserves that are sufficient under GAAP. Neither GB&T nor any of its Subsidiaries currently is the beneficiary of any extension of time within which to file any Tax Return. Neither GB&T nor any of its Subsidiaries has waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency. Neither GB&T nor any of its Subsidiaries is a party to or is bound by any Tax-sharing, allocation or indemnification agreement or arrangement (other than such an agreement or arrangement exclusively between or among GB&T and its Subsidiaries). Within the past five years, neither GB&T nor any of its Subsidiaries has been a distributing corporation or a controlled corporation in a distribution intended to qualify under Section 355(a) of the Code. Neither GB&T nor any of its Subsidiaries is required to include in income, in any Taxable period after the date hereof, any adjustment pursuant to Section 481(a) of the Code, no such adjustment has been proposed by the IRS and no pending request for permission to change any accounting method has been submitted by GB&T or any of its Subsidiaries. Neither GB&T nor any of its Subsidiaries is required to include in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the date hereof as a result of any closing agreement as described in Section 7121 of the Code, intercompany transactions or excess loss

account described in the Treasury Regulations under Section 1502 of the Code or installment sale or open transaction disposition made prior to the date hereof. Neither GB&T nor any of its Subsidiaries has participated in a reportable transaction within the meaning of Treasury Regulation Section

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1.6011-4(b)(1) or acted as a material advisor within the meaning of Section 6111(b) of the Code with respect to any reportable transaction. No power of attorney has been granted by GB&T or any of its Subsidiaries with respect to any matter relating to Taxes, except as disclosed on Section 3.10(a)(3) of the GB&T Disclosure Schedule. Neither GB&T nor any of its Subsidiaries is a party to any agreement, contract, arrangement or plan that has resulted or could result, separately or in the aggregate, in the payment of any excess parachute payment within the meaning of Section 280G of the Code (or any corresponding provision of state, local or foreign Tax law). GB&T and its Subsidiaries have disclosed on their federal income Tax Returns all positions taken therein that are reasonably likely to give rise to a substantial understatement of federal income Tax within the meaning of Section 6662 of the Code. Since September 30, 2000, no claim has ever been made by an authority in a jurisdiction where GB&T or any of its Subsidiaries does not file Tax Returns that GB&T or any of its Subsidiaries is or may be subject to taxation by that jurisdiction. To the knowledge of GB&T and its Subsidiaries, there are no Liens for Taxes (other than Taxes not yet due and payable) upon any of the assets of GB&T or any of its Subsidiaries and there are no such Liens that are pending. Neither GB&T nor any of its Subsidiaries has directly or indirectly owned an interest in a real estate investment trust or any legal entity whose purpose is to hold and manage investment securities. Neither GB&T nor any of its Subsidiaries has been a member of an affiliated group filing a consolidated federal income Tax Return other than a group the common parent of which is GB&T. Neither GB&T nor any of its Subsidiaries has issued or assumed any corporate acquisition indebtedness (within the meaning of Section 279(b) of the Code), or any obligation described in Section 279(a)(2) of the Code. Except as disclosed on Section 3.10(a)(4) of the GB&T Disclosure Schedule, neither GB&T nor any of its Subsidiaries owns any direct or indirect interest in an entity that is characterized as a partnership for Tax purposes. No excess loss account (within the meaning of Treasury Regulation Section 1.1502-19) exists with respect to GB&T or its Subsidiaries. GB&T has received the Georgia Department of Revenue's approval letter permitting GB&T and its Subsidiaries to file a consolidated income tax return in Georgia.

(b) As used in this Agreement, the term *Tax* or *Taxes* means (i) all federal, state, local and foreign income, excise, gross receipts, gross income, ad valorem, profits, license, gains, property, capital, sales, transfer, use, payroll, employment, severance, withholding, duties, intangibles, franchise, backup-withholding, value-added, alternative or add-on minimum, estimated and all other taxes, charges, duties, levies or any other governmental charges of any kind whatsoever that may be imposed by a governmental entity, whether disputed or not, together with all penalties and additions to tax and interest thereon and (ii) any liability for Taxes described in clause (i) above under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign law).

(c) As used in this Agreement, the term *Tax Return* means a report, return, claim for refund, declaration or other information (including any amendments) required to be supplied to a governmental entity with respect to Taxes including, where permitted or required, combined or consolidated returns for any group of entities that includes GB&T or any of its Subsidiaries, including any schedule or attachment thereto and any estimated returns.

(d) GB&T has made available to SunTrust true, correct and complete copies of all Tax Returns of GB&T and its Subsidiaries (together with any examinations or audit reports and work papers) for taxable years ended on or after December 31, 2004.

3.11 *Employee Matters.*

(a) Section 3.11(a) of the GB&T Disclosure Schedule sets forth a true, complete and correct list of each employee benefit plan as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (*ERISA*), whether or not subject to ERISA, as well as each employee or director benefit or compensation plan, arrangement or agreement, and each employment, consulting, bonus, incentive or deferred compensation, vacation, stock purchase, stock option or other equity-based, severance, termination, retention, change-in-control, profit-sharing, fringe benefit or other similar plan, program, agreement or commitment for the benefit of any

employee, former employee, director or former director of GB&T or any of its Subsidiaries entered into, maintained or contributed to by GB&T or any of its Subsidiaries or to which GB&T or any of its

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Subsidiaries is obligated to contribute (such plans, programs, agreements and commitments, herein referred to as the *GB&T Benefit Plans*).

(b) With respect to each GB&T Benefit Plan, GB&T has made available to SunTrust true, complete and correct copies of the following (as applicable): (i) the written document evidencing such GB&T Benefit Plan or, with respect to any such plan that is not in writing, a written description thereof; (ii) any related trust agreements, insurance contracts or documents of any other funding arrangements; (iii) all amendments, modifications or supplements to any such document; (iv) the most recent actuarial report; (v) the most recent determination letter from the IRS; (vi) the most recent Form 5500 required to have been filed with the Department of Labor, including all schedules thereto; (vii) any notices or other communication to or from the IRS or any office or representative of the Department of Labor relating to any compliance issues in respect of any such GB&T Benefit Plan; and (viii) a list of each person who has options to purchase GB&T Common Stock or has units or other awards outstanding under any stock option or other equity-based plan, program or arrangement sponsored by GB&T or any of its Subsidiaries, noting for each person the number of options, units and other awards available and the strike price, if any, associated therewith. Section 3.11(b) of the GB&T Disclosure Schedule sets forth as of June 30, 2007 the accrued liability, if any, for any such plans, programs and arrangements.

(c) Except as set forth on Section 3.11(c) of the GB&T Disclosure Schedule: (i) GB&T and each of its Subsidiaries have operated and administered each GB&T Benefit Plan in compliance in all material respects with all applicable laws and the terms of each such plan; (ii) each GB&T Benefit Plan that is intended to be qualified under Section 401 of the Code has received a favorable determination letter from the IRS to such effect and, to the knowledge of GB&T, no fact, circumstance or event has occurred since the date of such determination letter or exists that would reasonably be expected to adversely affect the qualified status of any such GB&T Benefit Plan; (iii) each such GB&T Benefit Plan has received a favorable determination letter from the IRS (covering all changes prior to the Economic Growth and Tax Relief Reconciliation Act of 2001 (*EGTRRA*)) that such GB&T Benefit Plan is so qualified under Section 401(a) of the Code, the scope of such determination letter is complete and does not exclude consideration of any of the qualification requirements, and nothing has occurred that will adversely affect the qualified status of any such Benefit Plan; (iv) each such GB&T Benefit Plan was timely amended and operated in compliance with all applicable changes in law, regulations and IRS requirements enacted or adopted subsequent to the required changes commonly referred to as *GUST* , including but not limited to, EGTRRA good faith amendments and amendments and operations to comply with Revenue Ruling 2001-62, IRS Notice 2001-37, Revenue Ruling 2002-27, IRS Notice 2005-5, the final and temporary regulations under Sections 401(a) (9), (k) and (m) of the Code; (v) with respect to each such GB&T Benefit Plan, either an application for a new determination letter was filed by the end of such GB&T Benefit Plan's applicable remedial amendment cycle as determined under Revenue Procedure 2005-66 or the deadline for filing such an application has not yet arrived and all requirements for relying on such extended filing date have been satisfied; (vi) each GB&T Benefit Plan that is an employee pension benefit plan as defined in Section 3(2)(A) of ERISA and is not qualified under Code Section 401(a) is exempt from Part 2, 3 and 4 of Title I of ERISA as an unfunded plan that is maintained primarily for the purpose of providing deferred compensation or life insurance for a select group of management or highly compensated employees, pursuant to Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA, and for each such plan Section 3.11(c) of the GB&T Disclosure Schedule contains (1) a list of assets that are maintained or used to informally fund such plan, (2) an analysis of the emerging liabilities of any supplemental executive retirement plans (the *SERPs*) and (3) an analysis of the cash surrender value of the split dollar insurance policies held pursuant to the SERPs; (vii) any trust agreement supporting such plan has been provided as described in Section 3.11(b)(ii); (viii) there are no pending or, to the knowledge of GB&T, threatened or anticipated claims by, on behalf of or against any of the GB&T Benefit Plans or any assets thereof (other than routine claims for benefits); and (ix) all contributions, premiums and other payments required to be made with respect to any GB&T Benefit Plan have been made on or before their due dates under applicable law and the terms of such GB&T Benefit Plan, and with respect to any such contributions, premiums or other payments required to be made with respect to any GB&T Benefit Plan that are not yet due, to the extent required by GAAP, adequate reserves are reflected on the consolidated balance

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any notes thereto) or liability therefor was incurred in the ordinary course of business consistent with past practice since June 30, 2007.

(d) No GB&T Benefit Plan is subject to Section 412 of the Code or Section 302 or Title IV of ERISA or is a multiemployer plan or multiple employer plan within the meaning of Sections 4001(a)(3) or 4063/4064 of ERISA, respectively. Neither GB&T nor any of its Subsidiaries has incurred, either directly or indirectly (including as a result of any indemnification or joint and several liability obligation), any liability pursuant to Title I or IV of ERISA or the penalty tax, excise tax or joint and several liability provisions of the Code relating to employee benefit plans, in each case, with respect to the GB&T Benefit Plans and, to the knowledge of GB&T, no event, transaction or condition has occurred or exists that could reasonably be expected to result in any such liability to GB&T or any of its Subsidiaries.

(e) Except as disclosed on Section 3.11(e) of the GB&T Disclosure Schedule, neither the execution or delivery of this Agreement nor the consummation of the transactions contemplated by this Agreement will, either alone or in conjunction with any other event, (i) result in any payment or benefit becoming due or payable, or required to be provided, to any director, employee or independent contractor of GB&T or any of its Subsidiaries, (ii) increase the amount or value of any benefit or compensation otherwise payable or required to be provided to any such director, employee or independent contractor, (iii) result in the acceleration of the time of payment, vesting or funding of any such benefit or compensation or (iv) result in any amount failing to be deductible by reason of Section 280G of the Code.

(f) Except as disclosed on Section 3.11(f) of the GB&T Disclosure Schedule, to the knowledge of GB&T, no prohibited transaction within the meaning of Section 406 of ERISA or Section 4975 of the Code, or breach of fiduciary duty under Title I of ERISA has occurred with respect to any GB&T Benefit Plan or with respect to GB&T, its Subsidiaries or any party-in-interest.

(g) Except as disclosed on Section 3.11(g) of the GB&T Disclosure Schedule, no payment made or to be made in respect of any employee or former employee of GB&T or any of its Subsidiaries would not be fully deductible pursuant to Section 162(m) of the Code (or any corresponding provision of state, local or foreign Tax law).

(h) Neither GB&T nor any of its Subsidiaries is a party to or bound by any labor or collective bargaining agreement and there are no organizational campaigns, petitions or other unionization activities seeking recognition of a collective bargaining unit with respect to, or otherwise attempting to represent, any of the employees of GB&T or any of its Subsidiaries. There are no labor-related controversies, strikes, slowdowns, walkouts or other work stoppages pending or, to the knowledge of GB&T, threatened and neither GB&T nor any of its Subsidiaries has experienced any such labor-related controversy, strike, slowdown, walkout or other work stoppage within the past three years. Neither GB&T nor any of its Subsidiaries is a party to, or otherwise bound by, any consent decree with, or citation by, any Governmental Entity relating to employees or employment practices. Each of GB&T and its Subsidiaries are in compliance in all material respects with all applicable laws, statutes, orders, rules, regulations, policies or guidelines of any Governmental Entity relating to labor, employment, termination of employment or similar matters and have not engaged in any unfair labor practices or similar prohibited practices, except where the failure to comply would not, either individually or in the aggregate, have a Material Adverse Effect.

(i) Section 3.11(i)(1) of the GB&T Disclosure Schedule sets forth a true, complete and correct list of employment agreements, retention agreements and change-in-control agreements with each of GB&T's employees, copies of which have been made available to SunTrust. Each of the employment agreements, retention agreements and change-in-control agreements set forth on Section 3.11(i)(1) of the GB&T Disclosure Schedule is valid and binding and in full force and effect. Except as disclosed in Section 3.11(i)(2) of the GB&T Disclosure Schedule, neither GB&T nor any of its Subsidiaries has made any commitment, oral or written, to assume or to reimburse or gross up any employee for excise taxes, penalties, additional income taxes or any other amounts charged to such employee as a

result of any payments that are excess parachute payments within the meaning of Section 280G of the Code or that violate the requirements of Section 409A of the Code.

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(j) Except as disclosed in Section 3.11(j) of the GB&T Disclosure Schedule (which shall contain the actuarial present value of all such benefits other than health benefits, with respect to which current payment amounts and duration of payment obligation are provided), neither GB&T nor its Subsidiaries (i) provides health or welfare benefits for any retired or former employee or (ii) is obligated to provide health or welfare benefits to any active employees after their retirement or other termination of service, unless required to do so under Section 601 et seq. of ERISA and Section 4980B of the Code.

(k) Except as disclosed in Section 3.11(k) of the GB&T Disclosure Schedule, neither GB&T nor any of its Subsidiaries maintains, or has ever maintained, any plan that provides post-employee life or health insurance benefits, provides pension benefits under a defined benefit plan, or is or could be classified as a multiple employer welfare arrangement within the meaning of Section 3(40) of ERISA.

(l) Section 3.11(l) of the GB&T Disclosure Schedule sets forth the name of each nonqualified deferred compensation plan that is subject to Section 409A of the Code or is exempt from Section 409A of the Code. Except as disclosed in Section 3.11(l) of the GB&T Disclosure Schedule, each such nonqualified deferred compensation plan will be amended to comply with or to be exempt from Section 409A no later than December 31, 2007, or such later date as the IRS may allow by announcement, notice or other publication.

3.12 Compliance with Applicable Law. GB&T and each of its Subsidiaries hold all material licenses, franchises, permits and authorizations necessary for the lawful conduct of their respective businesses under and pursuant to each, and have complied in all respects with and are not in default in any material respect under any, applicable law, statute, order, rule, regulation, policy or guideline of any Governmental Entity relating to GB&T or any of its Subsidiaries. Except for trust services provided in the ordinary course of business by GB&T and its Subsidiaries and other than as required by (and in conformity with) law, neither GB&T nor any GB&T Subsidiary acts as a fiduciary for any person, or administers any account for which it acts as a fiduciary, including as a trustee, agent, custodian, personal representative, guardian, conservator or investment advisor. Since the enactment of the Sarbanes-Oxley Act, GB&T has been and is in compliance in all material respects with the provisions of the Sarbanes-Oxley Act applicable to GB&T and its Subsidiaries and their respective businesses. Section 3.12 of the GB&T Disclosure Schedule sets forth a schedule of all officers and directors of GB&T who have outstanding loans from GB&T or its Subsidiaries, and there has been no default on, or forgiveness or waiver of, in whole or in part, any such loan during the two years immediately preceding the date hereof.

3.13 Certain Contracts.

(a) Except as disclosed on Section 3.13(a) of the GB&T Disclosure Schedule, neither GB&T nor any of its Subsidiaries is a party to or bound by any contract, arrangement, commitment or understanding (whether written or oral) (i) with respect to the employment of any directors, officers, employees or consultants, other than in the ordinary course of business consistent with past practice, (ii) that, upon execution of this Agreement or consummation or shareholder approval of the transactions contemplated by this Agreement, will (either alone or upon the occurrence of any additional acts or events) result in any payment or benefits (whether of severance pay or otherwise) becoming due from SunTrust, GB&T, the Surviving Corporation, or any of their respective Subsidiaries to any officer or employee of GB&T or any Subsidiary thereof, (iii) that is a material contract (as such term is defined in Item 601(b)(10) of Regulation S-K of the SEC) to be performed after the date of this Agreement that has not been filed or incorporated by reference in the GB&T SEC Reports filed before the date hereof, (iv) that materially restricts the conduct of any line of business by GB&T or, to the knowledge of GB&T, upon consummation of the Merger will materially restrict the ability of the Surviving Corporation to engage in any line of business in which a bank holding company may lawfully engage, (v) with or to a labor union or guild (including any collective bargaining agreement) or (vi) including any stock option plan, stock appreciation rights plan, restricted stock plan, stock purchase plan or benefits plan in which any of the benefits of which will be increased, or the vesting of the benefits of which will be accelerated, by the

execution of this Agreement, the occurrence of any shareholder approval or the consummation of any of the transactions contemplated by this Agreement, or the value of any of the benefits of which will be calculated on the basis of or affected by any of the transactions contemplated by this Agreement. Each contract, arrangement, commitment or understanding of the type described in this

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Section 3.13(a), whether or not set forth in the GB&T Disclosure Schedule, is referred to as an *GB&T Contract*, and neither GB&T nor any of its Subsidiaries knows of, or has received notice of, any material violation of any GB&T Contract by any of the other parties thereto.

(b) (i) Each GB&T Contract is valid and binding on GB&T or its applicable Subsidiary and is in full force and effect, (ii) GB&T and each of its Subsidiaries has in all material respects performed all obligations required to be performed by it to date under each GB&T Contract and (iii) except as set forth on Section 3.13(b) of the GB&T Disclosure Schedule, no event or condition exists that constitutes or, after notice or lapse of time or both, will constitute, a material default on the part of GB&T or any of its Subsidiaries under any such GB&T Contract.

3.14 Risk Management Instruments.

(a) *Derivative Transactions* means any swap transaction, option, warrant, forward purchase or sale transaction, futures transaction, cap transaction, floor transaction or collar transaction relating to one or more currencies, commodities, bonds, equity securities, loans, interest rates, prices, values, or other financial or nonfinancial assets, credit-related events or conditions or any indexes, or any other similar transaction or combination of any of these transactions, including collateralized mortgage obligations or other similar instruments or any debt or equity instruments evidencing or embedding any such types of transactions, and any related credit support, collateral or other similar arrangements related to such transactions; provided that, for the avoidance of doubt, the term *Derivative Transactions* shall not include any GB&T Stock Option.

(b) All Derivative Transactions, whether entered into for the account of GB&T or any of its Subsidiaries or for the account of a customer of GB&T or any of its Subsidiaries, were entered into in the ordinary course of business consistent with past practice and in accordance with prudent banking practice and applicable laws, rules, regulations and policies of any Regulatory Authority and in accordance with the investment, securities, commodities, risk management and other policies, practices and procedures employed by GB&T and its Subsidiaries, and with counterparties believed at the time to be financially responsible and able to understand (either alone or in consultation with their advisers) and to bear the risks of such Derivative Transactions. All of such Derivative Transactions are legal, valid and binding obligations of GB&T or one of its Subsidiaries enforceable against it in accordance with their terms (except as may be limited by bankruptcy, insolvency, moratorium, reorganization or similar laws affecting the rights of creditors generally and subject to general principles of equity), and are in full force and effect. GB&T and its Subsidiaries have duly performed their obligations under the Derivative Transactions to the extent that such obligations to perform have accrued and, to GB&T's knowledge, there are no breaches, violations or defaults or allegations or assertions of such by any party thereunder.

3.15 Investment Securities and Commodities.

(a) Except as would not reasonably be expected to have a Material Adverse Effect on GB&T, each of GB&T and its Subsidiaries has good title to all securities and commodities owned by it (except those sold under repurchase agreements or held in any fiduciary or agency capacity), free and clear of any Liens, except to the extent such securities or commodities are pledged in the ordinary course of business to secure obligations of GB&T or its Subsidiaries. Such securities and commodities are valued on the books of GB&T in accordance with GAAP in all material respects.

(b) GB&T and its Subsidiaries and their respective businesses employ and have acted in compliance in all material respects with investment, securities, commodities, risk management and other policies, practices and procedures (the *Policies, Practices and Procedures*) that GB&T believes are prudent and reasonable in the context of such businesses. Before the date hereof, GB&T has made available to SunTrust in writing its material Policies, Practices and Procedures.

3.16 *Property*. GB&T or one of its Subsidiaries (a) has fee simple title to all the properties and assets reflected in the latest audited balance sheet included in such GB&T SEC Reports as being owned by GB&T or one of its Subsidiaries or acquired after the date thereof (except properties sold or otherwise disposed of since the date thereof in the ordinary course of business) (the *Owned Properties*), free and clear of all Liens of any nature whatsoever, except (i) statutory Liens securing payments not yet due, (ii) Liens for real property

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taxes not yet delinquent, (iii) easements, rights of way and other similar encumbrances and matters of record that do not materially adversely affect the use of the properties or assets subject thereto or affected thereby as used by GB&T on the date hereof and (iv) such imperfections or irregularities of title or Liens as do not materially affect the use of the properties or assets subject thereto or affected thereby or otherwise materially impair business operations at such properties as conducted by GB&T on the date hereof (collectively, *Permitted Encumbrances*), and (b) is the lessee of all leasehold estates reflected in the latest audited financial statements included in such GB&T SEC Reports or acquired after the date thereof (except for leases that have expired by their terms since the date thereof) (the *Leased Properties* and, collectively with the Owned Properties, the *Real Property*), free and clear of all Liens of any nature whatsoever encumbering GB&T's or one of its Subsidiaries' leasehold estate, except for Permitted Encumbrances, and except as set forth on Section 3.16 of the GB&T Disclosure Schedule, is in possession of the properties purported to be leased thereunder, and each such lease is valid without default thereunder by the GB&T or one of its Subsidiaries or, to GB&T's knowledge, the lessor. The Real Property is in material compliance with all applicable zoning laws and building codes, and the buildings and improvements located on the Real Property are in good operating condition and in a state of good working order, ordinary wear and tear and casualty excepted. There are no pending or, to the knowledge of GB&T, threatened condemnation proceedings against the Real Property. GB&T and its Subsidiaries are in material compliance with all applicable health and safety related requirements for the Real Property, including those under the Americans with Disabilities Act of 1990 and the Occupational Health and Safety Act of 1970.

GB&T currently maintains (or causes to be maintained) insurance on all its property, including the Real Property in amounts, scope and coverage reasonably necessary for its operations. GB&T has not received any written notice of termination, nonrenewal or premium adjustment for such policies.

3.17 Intellectual Property. GB&T and each of its Subsidiaries owns, or is licensed to use (in each case, free and clear of any Liens), all Intellectual Property used in or necessary for the conduct of its business as currently conducted. The use of any Intellectual Property by GB&T and its Subsidiaries does not, to the knowledge of GB&T, infringe on or otherwise violate the rights of any person and is in accordance with any applicable license pursuant to which GB&T or any Subsidiary acquired the right to use any Intellectual Property. To GB&T's knowledge, no person is challenging, infringing on or otherwise violating any right of GB&T or any of its Subsidiaries with respect to any Intellectual Property owned by and/or licensed to GB&T or its Subsidiaries. Neither GB&T nor any of its Subsidiaries has received any written notice of any pending claim with respect to any Intellectual Property used by GB&T and its Subsidiaries and, to GB&T's knowledge, no Intellectual Property owned and/or licensed by GB&T or its Subsidiaries is being used or enforced in a manner that would result in the abandonment, cancellation or unenforceability of such Intellectual Property. For purposes of this Agreement, *Intellectual Property* means trademarks, service marks, brand names, certification marks, trade dress and other indications of origin, the goodwill associated with the foregoing and registrations in any jurisdiction of, and applications in any jurisdiction to register, the foregoing, including any extension, modification or renewal of any such registration or application; inventions, discoveries and ideas, whether patentable or not, in any jurisdiction; patents, applications for patents (including divisions, continuations, continuations in part and renewal applications), and any renewals, extensions or reissues thereof, in any jurisdiction; nonpublic information, trade secrets and confidential information and rights in any jurisdiction to limit the use or disclosure thereof by any person; writings and other works, whether copyrightable or not, in any jurisdiction; and registrations or applications for registration of copyrights in any jurisdiction, and any renewals or extensions thereof; and any similar intellectual property or proprietary rights.

3.18 Environmental Liability. There are no legal, administrative, arbitral or other proceedings, claims, actions, causes of action or notices with respect to any environmental, health or safety matters or any private or governmental environmental, health or safety investigations or remediation activities of any nature seeking to impose, or that are reasonably likely to result in, any liability or obligation of GB&T or any of its Subsidiaries arising under common law or under any local, state or federal environmental, health or safety statute, regulation or ordinance (collectively,

Environmental Laws), including the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, pending or, to the knowledge of GB&T, threatened against GB&T or any of its Subsidiaries. To the knowledge of GB&T, there is no

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reasonable basis for, or circumstances that are reasonably likely to give rise to, any such proceeding, claim, action, investigation or remediation by any Governmental Entity or any third party that would give rise to any liability or obligation on the part of GB&T or any of its Subsidiaries. Neither GB&T nor any of its Subsidiaries is subject to any agreement, order, judgment, decree, letter or memorandum by or with any Governmental Entity or third party imposing any liability or obligation with respect to any of the foregoing. Each of GB&T and its Subsidiaries is and has been, and all properties foreclosed upon by GB&T or any of its Subsidiaries are, in compliance with all applicable Environmental Laws.

3.19 *Leases.* Section 3.19 of the GB&T Disclosure Schedule sets forth (a) a list of each personal property lease involving annual payments in excess of \$100,000 to which GB&T or any Subsidiary is a party and (b) a list of each parcel of real property leased by GB&T or any Subsidiary together with the current annual rent (each, a *Property Lease*). Each Property Lease is valid and binding on GB&T or its applicable Subsidiary and is in full force and effect. GB&T and each of its Subsidiaries has performed, in all material respects, all obligations required to be performed by it to date under each Property Lease. Neither GB&T nor any of its Subsidiaries is in material default under any Property Lease beyond any applicable notice and cure period.

3.20 *Securizations.* Except as provided on Section 3.20 of the GB&T Disclosure Schedule, GB&T is not a party to any agreement securitizing any of its assets.

3.21 *Reorganization; Approvals.* As of the date of this Agreement, GB&T (a) is not aware of any fact or circumstance that could reasonably be expected to prevent the Merger from qualifying as a *reorganization* within the meaning of Section 368(a) of the Code and (b) knows of no reason why all regulatory approvals from any Governmental Entity required for the consummation of the transactions contemplated by this Agreement should not be obtained on a timely basis.

3.22 *Opinion.* Before the execution of this Agreement, the GB&T Board has received an opinion from Keefe Bruyette & Woods, Inc. to the effect that as of the date thereof and based upon and subject to the matters set forth therein, the Merger Consideration is fair to the shareholders of GB&T from a financial point of view. Such opinion has not been amended or rescinded as of the date of this Agreement.

3.23 *GB&T Information.* The information relating to GB&T and its Subsidiaries that is provided by GB&T or its representatives for inclusion in the Proxy Statement and the Form S-4, or in any application, notification or other document filed with any other Regulatory Agency or other Governmental Entity in connection with the transactions contemplated by this Agreement, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they are made, not misleading. The portions of the Proxy Statement relating to GB&T and other portions within the reasonable control of GB&T will comply in all material respects with the provisions of the Exchange Act and the rules and regulations thereunder.

3.24 *State Takeover Law.* The GB&T Board has approved the transactions contemplated by this Agreement and the Voting Agreements such that no *moratorium*, *control share*, *fair price*, *business combination* or other anti-takeover laws are applicable to the Merger or any transactions contemplated therein.

3.25 *Loan Portfolio.*

(a) GB&T has made available to SunTrust a listing, as of September 30, 2007, of the following: (i) each borrower, customer or other party which has notified GB&T or its Subsidiaries during the past 12 months of, or has asserted against GB&T or its Subsidiaries, in each case in writing, any *lender liability* or similar claim; (ii) (A) the aggregate outstanding principal amount of all loan agreements, notes or borrowing arrangements (including leases, credit enhancements and interest-bearing assets) payable to GB&T or its Subsidiaries (each, a *Loan* and collectively, the

Loans), other than nonaccrual Loans, (B) the aggregate outstanding principal amount of all nonaccrual Loans, (C) a summary of all Loans designated as of such date by either GB&T, its accountants (whether internal or external) or its auditors (whether internal or external) as Special Mention, Substandard, Doubtful, Loss, Classified, Criticized, List or words of similar import, including the aggregate principal amount of such Loans and the amount of specific

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reserves with respect to all such Loans, (D) any Loan where a reasonable doubt exists as to the timely future collectability of principal and/or interest, whether or not interest is still accruing or the Loan is less than 90 days past due, (E) any Loan where the interest rate terms have been reduced and/or the maturity dates have been extended subsequent to the agreement under which the loan was originally created due to concerns regarding the borrower's ability to pay and (F) any Loan where a specific reserve allocation exists in connection therewith; and (iii) all other assets classified by GB&T or its Subsidiaries as real estate acquired through foreclosure or in lieu of foreclosure, including in-substance foreclosures, and all other assets currently held that were acquired through foreclosure or in lieu of foreclosure. Since September 30, 2007, no Loans have been designated by either GB&T, its accountants (whether internal or external) or its auditors (whether internal or external) as Special Mention, Substandard, Doubtful, Loss, Classified, Criticized, Watch List or words of similar import, except for such Loans that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect on GB&T.

(b) Each Loan (i) is evidenced by notes, agreements or other evidences of indebtedness that are true, genuine and what they purport to be, (ii) to the extent secured, has been secured by valid Liens in favor of GB&T or its Subsidiaries that have been perfected and (iii) is the legal, valid and binding obligation of the obligor named therein, enforceable in accordance with its terms (except as may be limited by bankruptcy, insolvency, moratorium, reorganization or similar laws affecting the rights of creditors generally and subject to general principles of equity). All Loans originated by GB&T or its Subsidiaries, and all such Loans purchased by GB&T or its Subsidiaries, were made or purchased in accordance with customary lending standards. All such Loans (and any related guarantees) and payments due thereunder are, and on the Closing Date will be, free and clear of any Lien, and GB&T or its Subsidiaries have complied in all material respects, and on the Closing Date will have complied in all material respects, with all laws and regulations relating to such Loans.

(c) Except as disclosed in the GB&T SEC Reports or in the financial statements of GB&T and its Subsidiaries for the fiscal quarter ended September 30, 2007 that have been provided to SunTrust, since December 31, 2006, neither GB&T nor any of its Subsidiaries has incurred any unusual or extraordinary loan losses which are material to GB&T and its Subsidiaries on a consolidated basis; to GB&T's knowledge and in light of their historical loan loss experiences and their managements' analyses of the quality and performance of their loan portfolios, as of September 30, 2007, their reserves for loan losses are adequate to absorb potential loan losses determined on the basis of management of GB&T and its Subsidiaries' continuing review and evaluation of the loan portfolio and their judgment as to the impact of economic conditions on the portfolio.

3.26 Administration of Fiduciary Accounts. GB&T and each of its Subsidiaries has properly administered in all material respects all accounts for which it acts as a fiduciary, including but not limited to accounts for which it serves as a trustee, agent, custodian, personal representative, guardian, conservator or investment advisor, in accordance with the terms of the governing documents and applicable state and federal law and regulation and common law. Neither GB&T nor any of its Subsidiaries nor any of their respective directors, officers or employees has committed any breach of trust with respect to any such fiduciary account, and the accountings for each such fiduciary account are true and correct in all material respects and accurately reflect the assets of such fiduciary account.

3.27 Internal Controls. The records, systems, controls, data and information of GB&T and its Subsidiaries are recorded, stored, maintained and operated under means (including any electronic, mechanical or photographic process, whether computerized or not) that are under the exclusive ownership and direct control of GB&T or its Subsidiaries or accountants (including all means of access thereto and therefrom). Except as disclosed in the GB&T SEC Reports, since December 31, 2000, GB&T and its Subsidiaries have devised and maintain a system of internal accounting controls sufficient to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP. GB&T (i) has designed disclosure controls and procedures to ensure that material information relating to GB&T, including its consolidated Subsidiaries, is made known to the management of GB&T by others within those entities, and (ii) has disclosed, based on its most recent evaluation prior

to the date hereof, to GB&T's auditors and the audit committee of GB&T's Board (x) any significant deficiencies in the design or operation of internal controls which could adversely affect in any material respect GB&T's ability to record,

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process, summarize and report financial data and have identified for GB&T's auditors any material weaknesses in internal controls and (y) any fraud, whether or not material, that involves management or other employees who have a significant role in GB&T's internal controls. GB&T has made available to SunTrust the disclosures made by management to GB&T's auditors and audit committee since January 1, 2004.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF SUNTRUST

SunTrust has delivered a disclosure schedule (the *SunTrust Disclosure Schedule*) to GB&T in connection with the execution of this Agreement setting forth, among other things, items the disclosure of which is necessary or appropriate either in response to an express disclosure requirement contained in a provision hereof or as an exception to one or more representations or warranties contained in this Article IV or to one or more of SunTrust's covenants contained herein. Except as set forth on the SunTrust Disclosure Schedule, and subject to the standard set forth in Section 9.2, SunTrust hereby represents and warrants to GB&T as follows:

4.1 *Corporate Organization.*

(a) SunTrust is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Georgia. SunTrust has the corporate power and authority to own or lease all of its properties and assets and to carry on its business as it is now being conducted, and is duly licensed or qualified to do business in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned or leased by it makes such licensing or qualification necessary.

(b) SunTrust is duly registered as a bank holding company under the BHC Act and is a financial holding company pursuant to Section 4(1) of the BHC Act and meets the applicable requirements for qualification as such. True, complete and correct copies of the Articles of Incorporation of SunTrust, as amended (the *SunTrust Articles*) and Bylaws of SunTrust (the *SunTrust Bylaws*), as in effect as of the date of this Agreement, have previously been made available to GB&T.

(c) Each SunTrust Subsidiary (i) is duly incorporated or duly formed, as applicable to each such Subsidiary, and validly existing under the laws of its jurisdiction of organization, (ii) is duly qualified to do business and in good standing in all jurisdictions (whether federal, state, local or foreign) where its ownership or leasing of property or the conduct of its business requires it to be so qualified and (iii) has all requisite corporate power or other power and authority to own or lease its properties and assets and to carry on its business as now conducted.

4.2 *Capitalization.*

(a) The authorized capital stock of SunTrust consists of 750,000,000 shares of SunTrust Common Stock, of which, as of October 30, 2007 (the *SunTrust Capitalization Date*), 349,458,350 shares were issued and outstanding, and 50,000,000 shares of preferred stock, no par value (the *SunTrust Preferred Stock*), of which, as of the SunTrust Capitalization Date, (i) 50,000,000 shares were authorized and 5,000 shares were issued and outstanding. As of the SunTrust Capitalization Date, no shares of SunTrust Common Stock or SunTrust Preferred Stock were reserved for issuance, except for no more than 35,000,000 shares of SunTrust Common Stock reserved for issuance pursuant to the equity-based compensation plans of SunTrust or a Subsidiary of SunTrust in effect as of the date of this Agreement (the *SunTrust Stock Plans*) and 5,010 shares of SunTrust Preferred Stock reserved for issuance pursuant to the Stock Purchase Contract Agreement, dated as of October 25, 2006, by and between SunTrust Banks, Inc. and SunTrust Preferred Capital I. All of the issued and outstanding shares of SunTrust Common Stock have been duly authorized and validly issued and are fully paid, nonassessable and free of preemptive rights, with no personal liability

attaching to the ownership thereof. As of the date of this Agreement, no Voting Debt of SunTrust is issued or outstanding. As of the SunTrust Capitalization Date, except as disclosed in the SunTrust SEC Reports and/or pursuant to this Agreement, the SunTrust Stock Plans, the terms of the SunTrust Preferred Stock and stock repurchase plans entered into by SunTrust from time to time, SunTrust does not have and is not bound by any

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outstanding subscriptions, options, warrants, calls, rights, commitments or agreements of any character calling for the purchase or issuance of any shares of SunTrust Common Stock, SunTrust Preferred Stock, Voting Debt of SunTrust or any other equity securities of SunTrust or any securities representing the right to purchase or otherwise receive any shares of SunTrust Common Stock, SunTrust Preferred Stock, Voting Debt of SunTrust or other equity securities of SunTrust. The shares of SunTrust Common Stock to be issued pursuant to the Merger will be duly authorized and validly issued and, at the Effective Time, all such shares will be fully paid, nonassessable and free of preemptive rights, with no personal liability attaching to the ownership thereof.

(b) Except as disclosed in the SunTrust SEC Reports, all of the issued and outstanding shares of capital stock or other equity ownership interests of each Subsidiary of SunTrust are owned by SunTrust, directly or indirectly, free and clear of any Liens, and all of such shares or equity ownership interests are duly authorized and validly issued and are fully paid, nonassessable (subject to 12 U.S.C. § 55) and free of preemptive rights.

4.3 Authority; No Violation.

(a) SunTrust has requisite corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly approved by the Board of Directors of SunTrust and no other corporate proceedings on the part of SunTrust are necessary to approve this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by SunTrust and (assuming due authorization, execution and delivery by GB&T) constitutes the valid and binding obligations of SunTrust, enforceable against SunTrust in accordance with its terms (except as may be limited by bankruptcy, insolvency, moratorium, reorganization or similar laws affecting the rights of creditors generally and subject to general principles of equity).

(b) Neither the execution and delivery of this Agreement by SunTrust, nor the consummation by SunTrust of the transactions contemplated hereby, nor compliance by SunTrust with any of the terms or provisions of this Agreement, will (i) violate any provision of the SunTrust Articles or the SunTrust Bylaws, or (ii) assuming that the consents, approvals and filings referred to in Section 4.4 are duly obtained and/or made, (A) violate any statute, code, ordinance, rule, regulation, judgment, order, writ, decree or Injunction applicable to SunTrust, any of its Subsidiaries or any of their respective properties or assets or (B) violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an event that, with notice or lapse of time, or both, would constitute a default) under, result in the termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any Lien upon any of the respective properties or assets of SunTrust or any of its Subsidiaries under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument or obligation to which SunTrust or any of its Subsidiaries is a party or by which any of them or any of their respective properties or assets is bound.

4.4 Consents and Approvals. Except for (a) the filing of applications and notices, as applicable, with the Federal Reserve Board under the BHC Act and any applicable state regulatory agencies and approval of such applications and notices, (b) the Other Regulatory Approvals, (c) the filing with the SEC of the Proxy Statement and the filing and declaration of effectiveness of the Form S-4 and the filing and effectiveness of the registration statement contemplated by Section 1.5(e), (d) the filing of the Georgia Certificate of Merger with the Secretary of State of the State of Georgia pursuant to the GBCC and the filing of the, (e) any consents, authorizations, approvals, filings or exemptions in connection with compliance with the applicable rules and regulations of the NYSE or that are required under consumer finance, mortgage banking and other similar laws, (f) notices or filings under the HSR Act, if any, and (g) such filings and approvals as are required to be made or obtained under the securities or Blue Sky laws of various states in connection with the issuance of the shares of SunTrust Common Stock pursuant to this Agreement and approval of listing of such SunTrust Common Stock on the NYSE, no consents or approvals of or filings or

registrations with any Governmental Entity are necessary in connection with the consummation by SunTrust of the Merger and the other transactions contemplated by this Agreement. No consents or approvals of or filings or registrations with any Governmental Entity are necessary in connection with the execution and delivery by SunTrust of this Agreement.

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Table of Contents**4.5 Reports; Regulatory Matters.**

(a) SunTrust and each of its Subsidiaries have timely filed all reports, registrations and statements, together with any amendments required to be made with respect thereto, that they were required to file since January 1, 2004 with the Regulatory Agencies and each other applicable Governmental Entity, and all other reports and statements required to be filed by them since January 1, 2004, including any report or statement required to be filed pursuant to the laws, rules or regulations of the United States, any state, any foreign entity or any Regulatory Agency, and have paid all fees and assessments due and payable in connection therewith. Except for normal examinations conducted by a Regulatory Agency or Governmental Entity in the ordinary course of the business of SunTrust and its Subsidiaries, or as disclosed in the SunTrust SEC Reports, no Regulatory Agency or Governmental Entity has initiated since January 1, 2004 or has pending any proceeding, enforcement action or, to the knowledge of SunTrust, investigation into the business, disclosures or operations of SunTrust or any of its Subsidiaries. Since January 1, 2004, except as disclosed in the SunTrust SEC Reports, no Regulatory Agency or Governmental Entity has resolved any proceeding, enforcement action or, to the knowledge of SunTrust, investigation into the business, disclosures or operations of SunTrust or any of its Subsidiaries. There is no unresolved violation, criticism or exception by any Regulatory Agency or Governmental Entity with respect to any report or statement relating to any examinations or inspections of SunTrust or any of its Subsidiaries. Since January 1, 2004, there has been no formal or informal inquiries by, or disagreements or disputes with, any Regulatory Agency or Governmental Entity with respect to the business, operations, policies or procedures of SunTrust or any of its Subsidiaries (other than normal examinations conducted by a Regulatory Agency or Governmental Entity in SunTrust's ordinary course of business or as disclosed in the SunTrust SEC Reports).

(b) Except as disclosed in the SunTrust SEC Reports, neither SunTrust nor any of its Subsidiaries is subject to any cease-and-desist or other order or enforcement action issued by, or is a party to any written agreement, consent agreement or memorandum of understanding with, or is a party to any commitment letter or similar undertaking to, or is subject to any order or directive by, or has been since January 1, 2004 a recipient of any supervisory letter from, or has been ordered to pay any civil money penalty by, or since January 1, 2004 has adopted any policies, procedures or board resolutions at the request or suggestion of, any Regulatory Agency or other Governmental Entity that currently restricts in any material respect the conduct of its business or that in any material manner relates to its capital adequacy, its ability to pay dividends, its credit, risk management or compliance policies, its internal controls, its management or its business, other than those of general application that apply to bank holding companies or their Subsidiaries (each, a *SunTrust Regulatory Agreement*), nor has SunTrust or any of its Subsidiaries been advised since January 1, 2004 by any Regulatory Agency or other Governmental Entity that it is considering issuing, initiating, ordering or requesting any such SunTrust Regulatory Agreement.

(c) SunTrust has previously made available to GB&T an accurate and complete copy of each (i) final registration statement, prospectus, report, schedule and definitive proxy statement filed with or furnished to the SEC by SunTrust since January 1, 2004 pursuant to the Securities Act or the Exchange Act and before the date of this Agreement (the *SunTrust SEC Reports*). No such SunTrust SEC Report or communication, at the time filed or furnished (and, in the case of registration statements and proxy statements, on the dates of effectiveness and the dates of the relevant meetings, respectively), contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances in which they were made, not misleading, except that information as of a later date (but before the date of this Agreement) shall be deemed to modify information as of an earlier date. As of their respective dates, all SunTrust SEC Reports complied as to form in all material respects with the published rules and regulations of the SEC with respect thereto. No executive officer of SunTrust has failed in any respect to make the certifications required of him or her under Section 302 or 906 of the Sarbanes-Oxley Act.

4.6 Financial Statements.

(a) The financial statements of SunTrust and its Subsidiaries included (or incorporated by reference) in the SunTrust SEC Reports (including the related notes, where applicable) (i) have been prepared from, and are

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in accordance with, the books and records of SunTrust and its Subsidiaries; (ii) fairly present in all material respects the consolidated results of operations, cash flows, changes in shareholders' equity and consolidated financial position of SunTrust and its Subsidiaries for the respective fiscal periods or as of the respective dates therein set forth (subject in the case of unaudited statements to recurring year-end audit adjustments normal in nature and amount); (iii) complied as to form, as of their respective dates of filing with the SEC, in all material respects with applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto; and (iv) have been prepared in accordance with GAAP consistently applied during the periods involved, except, in each case, as indicated in such statements or in the notes thereto and except as contemplated by SEC Regulation G regarding the use of non-GAAP financial measures. The books and records of SunTrust and its Subsidiaries have been, and are being, maintained in all material respects in accordance with GAAP and any other applicable legal and accounting requirements and reflect only actual transactions. PricewaterhouseCoopers LLP served as independent registered public accountant for SunTrust from January 1, 2004 through SunTrust's 2006 fiscal year (which ended December 31, 2006), and Ernst & Young LLP has served as independent registered public accountant for SunTrust since the beginning of SunTrust's 2007 fiscal year (which began January 1, 2007) to the present date; such firms have not resigned or been dismissed as independent public accountants of SunTrust as a result of or in connection with any disagreements with SunTrust on a matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

(b) Neither SunTrust nor any of its Subsidiaries has any material liability of any nature whatsoever (whether absolute, accrued, contingent or otherwise and whether due or to become due), except for those liabilities that are reflected or reserved against on the consolidated balance sheet of SunTrust included in its Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2007 (including any notes thereto) and for liabilities incurred in the ordinary course of business consistent with past practice since June 30, 2007 or in connection with this Agreement and the transactions contemplated hereby.

(c) Since December 31, 2006, (i) through the date hereof, neither SunTrust nor any of its Subsidiaries nor, to the knowledge of the officers of SunTrust, any director, officer, employee, auditor, accountant or representative of SunTrust or any of its Subsidiaries has received or otherwise had or obtained knowledge of any material complaint, allegation, assertion or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of SunTrust or any of its Subsidiaries or their respective internal accounting controls, including any material complaint, allegation, assertion or claim that SunTrust or any of its Subsidiaries has engaged in questionable accounting or auditing practices, and (ii) no attorney representing SunTrust or any of its Subsidiaries, whether or not employed by SunTrust or any of its Subsidiaries, has reported evidence of a material violation of securities laws, breach of fiduciary duty or similar violation by SunTrust or any of its officers, directors, employees or agents to the Board of Directors of SunTrust or any committee thereof or to any director or officer of SunTrust.

4.7 Broker's Fees. Neither SunTrust nor any SunTrust Subsidiary nor any of their respective officers or directors has employed any broker or finder or incurred any liability for any broker's fees, commissions or finder's fees in connection with the Merger or related transactions contemplated by this Agreement, other than as set forth on Section 4.7 of the SunTrust Disclosure Schedule.

4.8 Absence of Certain Changes or Events.

(a) Since December 31, 2006, no event or events have occurred that have had or are reasonably likely to have a Material Adverse Effect on SunTrust.

(b) Except as disclosed in the SunTrust SEC Reports, since December 31, 2006 through and including the date of this Agreement, SunTrust and its Subsidiaries have carried on their respective businesses in all material respects in the ordinary course of business consistent with their past practice.

4.9 *Legal Proceedings.*

(a) Except as disclosed in the SunTrust SEC Reports, none of SunTrust or any of its Subsidiaries is a party to any, and there are no pending or, to the best of SunTrust's knowledge, threatened, material legal,

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administrative, arbitral or other proceedings, claims, actions or governmental or regulatory investigations of any nature against SunTrust or any of its Subsidiaries.

(b) There is no Injunction, judgment or regulatory restriction (other than those of general application that apply to similarly situated bank holding companies or their Subsidiaries) imposed upon SunTrust, any of its Subsidiaries or the assets of SunTrust or any of its Subsidiaries.

4.10 *Taxes and Tax Returns.* Each of SunTrust and its Subsidiaries has duly and timely filed (including all applicable extensions) all material Tax Returns required to be filed by it on or before the date of this Agreement (all such returns being accurate and complete in all material respects), has paid all Taxes shown thereon as arising and has duly paid or made provision for the payment of all material Taxes that have been incurred or are due or claimed to be due from it by federal, state, foreign or local taxing authorities other than Taxes that are not yet delinquent or are being contested in good faith, have not been finally determined and have been adequately reserved against. Except as disclosed in the SunTrust SEC Reports, there are no material disputes pending, or claims asserted, for Taxes or assessments upon SunTrust or any of its Subsidiaries for which SunTrust does not have reserves that are adequate under GAAP.

4.11 *Compliance with Applicable Law.* SunTrust and each of its Subsidiaries hold all material licenses, franchises, permits and authorizations necessary for the lawful conduct of their respective businesses under and pursuant to each, and have complied in all respects with and are not in default in any material respect under any, applicable law, statute, order, rule, regulation, policy or guideline of any Governmental Entity relating to SunTrust or any of its Subsidiaries.

4.12 *Reorganization; Approvals.* As of the date of this Agreement, SunTrust (a) is not aware of any fact or circumstance that could reasonably be expected to prevent the Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code and (b) knows of no reason why all regulatory approvals from any Governmental Entity required for the consummation of the transactions contemplated by this Agreement should not be obtained on a timely basis.

4.13 *SunTrust Information.* The information relating to SunTrust and its Subsidiaries that is provided by SunTrust or its representatives for inclusion in the Proxy Statement and the Form S-4, or in any application, notification or other document filed with any other Regulatory Agency or other Governmental Entity in connection with the transactions contemplated by this Agreement, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they are made, not misleading. The portions of the Proxy Statement relating to SunTrust and other portions within the reasonable control of SunTrust will comply in all material respects with the provisions of the Exchange Act and the rules and regulations thereunder. The Form S-4 will comply in all material respects with the provisions of the Securities Act and the rules and regulations thereunder.

ARTICLE V

COVENANTS RELATING TO CONDUCT OF BUSINESS

5.1 *Conduct of GB&T's Business Before the Effective Time.* Except as expressly contemplated by or permitted by this Agreement or with the prior written consent of SunTrust, during the period from the date of this Agreement to the Effective Time, GB&T shall, and shall cause each GB&T Subsidiary, to:

(a) conduct its business in the ordinary course in all material respects;

(b) use reasonable best efforts to maintain and preserve intact its business organization and advantageous business relationships and retain the services of its key officers and key employees; and

(c) take no action that is intended to or would reasonably be expected to adversely affect or materially delay the ability of either GB&T or SunTrust to obtain any necessary approvals of any Regulatory Agency or other Governmental Entity required for the transactions contemplated hereby or to perform its covenants and agreements under this Agreement or to consummate the transactions contemplated hereby.

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5.2 *GB&T Forbearances*. During the period from the date of this Agreement to the Effective Time, except as set forth in Section 5.2 of the GB&T Disclosure Schedule and except as expressly contemplated or permitted by this Agreement, GB&T shall not, and shall not permit any of its Subsidiaries to, without the prior written consent of SunTrust:

(a) other than in the ordinary course of business consistent with past practice, incur any indebtedness for borrowed money, assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other individual, corporation or other entity, or make any loan or advance or capital contribution to, or investment in, any person (it being understood and agreed that incurrence of indebtedness in the ordinary course of business consistent with past practice shall include the creation of deposit liabilities, purchases of federal funds, borrowings from the Federal Home Loan Bank, purchases of brokered certificates of deposit, sales of certificates of deposit and entering into repurchase agreements);

(b) (i) adjust, split, combine or reclassify any of its capital stock;

(ii) make, declare or pay any dividend, or make any other distribution on, or directly or indirectly redeem, purchase or otherwise acquire, any shares of its capital stock or any securities or obligations convertible (whether currently convertible or convertible only after the passage of time or the occurrence of certain events) into or exchangeable for any shares of its capital stock (except (A) for regular quarterly cash dividends per share of GB&T Common Stock consistent with past practice, subject to Section 6.12, (B) dividends paid by any of the Subsidiaries of GB&T to GB&T or to any of its wholly owned Subsidiaries, (C) the acceptance of shares of GB&T Common Stock in payment of the exercise price or withholding taxes incurred by any employee or director in connection with the exercise of stock options or the vesting of restricted shares of (or settlement of other equity-based awards in respect of GB&T Common Stock granted under a GB&T Stock Plan, in each case in accordance with past practice and the terms of the applicable GB&T Stock Plan and related award agreements) and (D) open-market purchases pursuant to the GB&T retirement savings and DRIP plans;

(iii) grant any stock options, restricted shares or other equity-based award with respect to shares of GB&T Common Stock under any of the GB&T Stock Plans, or otherwise, or grant any individual, corporation or other entity any right to acquire any shares of its capital stock; or

(iv) issue any additional shares of capital stock or other securities except pursuant to the exercise of stock options or the settlement of other equity-based awards granted under a GB&T Stock Plan that are outstanding as of the date of this Agreement.

(c) except as required by applicable law (including, without limitation, Section 409A of the Code) or the terms of any GB&T Benefit Plan as in effect on the date of this Agreement, (i) increase the wages, salaries, incentive compensation or incentive compensation opportunities of any officer, director or employee of GB&T or any of its Subsidiaries, or pay or provide, or increase or accelerate the accrual rate, vesting or timing of payment or funding of, any compensation, benefits or other rights of any officer, director or employee of GB&T or any of its Subsidiaries, excepting (only with respect to employees who are not executive officers or directors) normal increases made in the ordinary course of business consistent with past practices; (ii) pay any bonus other than bonuses to employees who are not executive officers or directors made in the ordinary course of business and consistent with past practices or (iii) establish, adopt or become a party to any new employee benefit or compensation plan, program, commitment or agreement or amend any GB&T Benefit Plan; provided, however that GB&T may enter into retention arrangements, subject to the written consent of SunTrust in an exercise of its sole discretion, with a limited number of key employees whose retention is deemed reasonably necessary by GB&T to facilitate the consummation of the transactions contemplated hereby (which arrangements shall not extend past the Effective Time without SunTrust's consent);

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(d) except for sales of those properties set forth on Section 5.2(d) of the GB&T Disclosure Schedule at market prices in arm's-length transactions with unrelated parties, sell, transfer, mortgage, encumber or otherwise dispose of any material amount of its properties or assets to any person other than a Subsidiary or cancel, release or assign any material amount of indebtedness to any such person or any claims held by any such person, in each case other than in the ordinary course of business consistent with past practice or pursuant to contracts in force at the date of this Agreement set forth on Section 5.2(d) of the GB&T Disclosure Schedule;

(e) enter into any new line of business or change in any material respect its lending, investment, underwriting, risk and asset liability management and other banking, operating and servicing policies, except as required by applicable law, regulation or policies imposed by any Governmental Entity;

(f) (i) acquire or agree to acquire, by merging or consolidating with, or by purchasing a substantial equity interest in or a substantial portion of the assets of, or by any other manner, any business or corporation, partnership, association or other business organization or division thereof or otherwise acquire any assets or make any investments which would be material, individually or in the aggregate, to GB&T, other than in connection with foreclosures and settlements in lieu of foreclosure in the ordinary course of business consistent with prudent banking practices or (ii) except as disclosed on Section 5.2(f) of the GB&T Disclosure Schedule, open, close, sell or acquire any branches;

(g) take any action, or knowingly fail to take any action, which action or failure to act is reasonably likely to prevent the Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code;

(h) amend the GB&T Articles or GB&T Bylaws, or otherwise take any action to exempt any person (other than SunTrust or its Subsidiaries) or any action taken by any person from any takeover statute or similarly restrictive provisions of its organizational documents or terminate, amend or waive any provisions of any confidentiality or standstill agreements in place with any third parties;

(i) restructure or materially change its investment securities portfolio or its gap position, through purchases, sales or otherwise, or the manner in which the portfolio is classified or reported;

(j) except in furtherance of loan collection efforts in the ordinary course, commence or settle any claim, action or proceeding where the amount in dispute is in excess of \$100,000 or subjecting GB&T or any of its Subsidiaries to any material restrictions on its current or future business or operations (including the future business and operations of the Surviving Corporation);

(k) take any action or fail to take any action that is intended or may reasonably be expected to result in any of its representations or warranties set forth in this Agreement being or becoming untrue in any material respect at any time prior to the Effective Time, or in any of the conditions to the Merger set forth in Article VII not being satisfied or in a violation of any provision of this Agreement;

(l) implement or adopt any material change in its tax accounting or financial accounting principles, practices or methods, other than as may be required by applicable law, GAAP or regulatory guidelines;

(m) (i) file any Tax Return other than in the ordinary course of business, amend any Tax Return, make any significant change in any method of Tax or accounting (other than as may be required by applicable law, GAAP or regulatory guidelines), make or change any Tax election, enter into any closing agreements, settle or compromise any Tax liability, claim or assessment in excess of \$100,000, (ii) surrender any right to claim a refund of Taxes, consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment relating to GB&T or any of its Subsidiaries, or (iii) take any other similar action relating to the filing of any Tax Return or the payment of any Tax, if such similar action (including election, adoption, change, amendment, agreement, settlement, surrender or consent)

would have the effect of increasing the Tax liability of GB&T or any of its Subsidiaries for any period ending after the Effective Time or decreasing any Tax attribute of GB&T or any of its Subsidiaries existing on the Effective Time;

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(n) except for transactions in the ordinary course of business consistent with past practice, terminate, or waive any material provision of any GB&T Contract or make any change in any instrument or agreement governing the terms of any of its securities, or material lease or contract, other than normal renewals of contracts and leases without material adverse changes of terms;

(o) take any action that would materially impede or materially delay the ability of the parties to obtain any necessary approvals of any Regulatory Agency or Governmental Entity required for the transaction, contemplated hereby;

(p) fail to comply with the terms of any regulatory orders issued by any Governmental Entity;

(q) make capital expenditures other than in the ordinary and usual course of business consistent with past practice;

(r) file any application to establish, or relocate or terminate the operations of, any banking office of GB&T or any of its Subsidiaries; or

(s) agree to take, make any commitment to take, or adopt any resolutions of its board of directors in support of, any of the actions prohibited by this Section 5.2.

5.3 SunTrust Covenants. Except as expressly permitted by this Agreement or with the prior written consent of GB&T, during the period from the date of this Agreement to the Effective Time, SunTrust shall not, and shall not permit any of its Subsidiaries to, (i) amend, repeal or otherwise modify any provision of the SunTrust Articles or the SunTrust Bylaws in a manner that would adversely effect, the shareholders of GB&T or the transactions contemplated by this Agreement; (ii) take any action, or knowingly fail to take any action, which action or failure to act is reasonably likely to prevent the Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code; (iii) take any action that is intended or may reasonably be expected to result in any of the conditions to the Merger set forth in Article VII not being satisfied; (iv) take any action that would be reasonably expected to prevent, materially impede, materially impact or materially delay the ability of the parties to obtain any necessary approvals of any Regulatory Agency or any Governmental Entity required for the consummation of the transactions contemplated hereby; (v) take any action or fail to take any action that is intended or may reasonably be expected to result in any of its representations and warranties set forth in this Agreement being or becoming untrue in any material respect, or in any of the conditions to the Merger set forth in Article VII not being satisfied on a timely basis; or (vi) agree to take, make any commitment to take, or adopt any resolutions of its board of directors in support of, any of the actions prohibited by this Section 5.3.

5.4 Loan Review. Consistent with GAAP and so long as and to the extent not inconsistent with applicable laws, GB&T agrees that on or before the Effective Time based on a review of GB&T's loan losses, current classified assets and commercial, multi-family and residential mortgage loans and investment portfolio, GB&T will work with SunTrust in good faith with the goal of establishing collection procedures, internal valuation reviews, credit policies and practices and general valuation allowances which are consistent with the guidelines used in the SunTrust system, provided that no adjustment to general valuation allowances or reserves shall be made until immediately prior to the Effective Time and all conditions precedent to the obligations of the parties hereto have either been satisfied or waived as confirmed by such parties in writing. SunTrust shall provide such assistance and direction to GB&T as is necessary in conforming such policies, practices, procedures and asset dispositions which are mutually agreeable between the date of this Agreement and the Effective Time. No actions taken by GB&T at the request of SunTrust pursuant to this Section 5.4 shall constitute or be deemed to be a breach, violation of or failure to satisfy any representation, warranty, covenant, agreement, condition or other provision of this Agreement or otherwise be considered in determining whether any such breach, violation or failure to satisfy have occurred.

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ARTICLE VI

ADDITIONAL AGREEMENTS

6.1 *Regulatory Matters.*

(a) SunTrust and GB&T shall promptly prepare and file with the SEC the Form S-4, in which the Proxy Statement will be included as a prospectus. Each of SunTrust and GB&T shall use its reasonable best efforts to have the Form S-4 declared effective under the Securities Act as promptly as practicable after such filing, and GB&T shall thereafter mail or deliver the Proxy Statement to its shareholders. SunTrust shall also use its reasonable best efforts to obtain all necessary state securities law or Blue Sky permits and approvals required to carry out the transactions contemplated by this Agreement, and GB&T shall furnish all information concerning GB&T and the holders of GB&T Common Stock as may be reasonably requested in connection with any such action.

(b) The parties shall cooperate with each other and use their respective reasonable best efforts to promptly prepare and file all necessary documentation, to effect all applications, notices, petitions and filings, to obtain as promptly as practicable all permits, consents, approvals and authorizations of all third parties and Governmental Entities that are necessary or advisable to consummate the transactions contemplated by this Agreement (including the Merger), and to comply with the terms and conditions of all such permits, consents, approvals and authorizations of all such third parties or Governmental Entities. GB&T and SunTrust shall have the right to review in advance, and, to the extent practicable, each will consult the other on, in each case subject to applicable laws relating to the confidentiality of information, all the information relating to GB&T or SunTrust, as the case may be, and any of their respective Subsidiaries, that appears in any filing made with, or written materials submitted to, any third party or any Governmental Entity in connection with the transactions contemplated by this Agreement. In exercising the foregoing right, each of the parties shall act reasonably and as promptly as practicable. The parties shall consult with each other with respect to the obtaining of all permits, consents, approvals and authorizations of all third parties and Governmental Entities necessary or advisable to consummate the transactions contemplated by this Agreement and each party will keep the other apprised of the status of matters relating to completion of the transactions contemplated by this Agreement. Notwithstanding the foregoing, nothing contained herein shall be deemed to require SunTrust to take any action, or commit to take any action, or agree to any condition or restriction, in connection with obtaining the foregoing permits, consents, approvals and authorizations of third parties or Governmental Entities, that would reasonably be expected to have a Material Adverse Effect on SunTrust, a Material Adverse Effect on GB&T or a Material Adverse Effect on the Surviving Corporation (measured in the case of GB&T or the Surviving Corporation with respect to the business, results of operations or financial condition of GB&T only and not any other businesses, results of operations or financial conditions of the Surviving Corporation) (any of which, a *Materially Burdensome Regulatory Condition*).

(c) Each of SunTrust and GB&T shall, upon request, furnish to the other all information concerning itself, its Subsidiaries, directors, officers and shareholders and such other matters as may be reasonably necessary or advisable in connection with the Proxy Statement, the Form S-4 or any other statement, filing, notice or application made by or on behalf of SunTrust, GB&T or any of their respective Subsidiaries to any Governmental Entity in connection with the Merger and the other transactions contemplated by this Agreement.

(d) Each of SunTrust and GB&T shall promptly advise the other upon receiving any communication from any Governmental Entity the consent or approval of which is required for consummation of the transactions contemplated by this Agreement that causes such party to believe that there is a reasonable likelihood that any SunTrust Requisite Regulatory Approval or GB&T Requisite Regulatory Approval, respectively, will not be obtained or that the receipt of any such approval may be materially delayed.

6.2 *Access to Information; Confidentiality.*

(a) Upon reasonable notice and subject to applicable laws relating to the confidentiality of information, each of GB&T and SunTrust shall, and shall cause each of its Subsidiaries to, afford to the officers, employees, accountants, counsel, advisors, agents and other representatives of the other party, reasonable

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access, during normal business hours during the period before the Effective Time, to all its properties, books, contracts, commitments and records, and, during such period, such party shall, and shall cause its Subsidiaries to, make available to the other party (i) a copy of each report, schedule, registration statement and other document filed or received by it during such period pursuant to the requirements of federal securities laws or federal or state banking or insurance laws (other than reports or documents that such party is not permitted to disclose under applicable law) and (ii) all other information concerning its business, properties and personnel as the other party may reasonably request (in the case of a request by GB&T, information concerning SunTrust that is reasonably related to the prospective value of SunTrust Common Stock or to SunTrust's ability to consummate the transactions contemplated hereby). Neither GB&T nor SunTrust, nor any of their Subsidiaries, shall be required to provide access to or to disclose information where such access or disclosure would jeopardize the attorney-client privilege of such party or its Subsidiaries or contravene any law, rule, regulation, order, judgment, decree, fiduciary duty or binding agreement entered into before the date of this Agreement. The parties shall make appropriate substitute disclosure arrangements under circumstances in which the restrictions of the preceding sentence apply.

(b) Each party shall, and shall cause its respective agents and representatives to, maintain in confidence all information received from the other party (other than disclosure to that party's agents and representatives in connection with the evaluation and consummation of the Merger) in connection with this Agreement or the Merger (including the existence and terms of this Agreement) and use such information solely to evaluate the Merger, unless (i) such information is already known to the receiving party or its agents and representatives, (ii) such information is subsequently disclosed to the receiving party or its agents and representatives by a third party that, to the knowledge of the receiving party, is not bound by a duty of confidentiality, (iii) such information becomes publicly available through no fault of the receiving party, (iv) the receiving party in good faith believes that the use of such information is necessary or appropriate in making any filing or obtaining any consent required for the Merger (in which case the receiving party shall advise the other party before making the disclosure) or (v) the receiving party in good faith believes that the furnishing or use of such information is required by or necessary or appropriate in connection with any applicable laws or any listing or trading agreement concerning its publicly traded securities (in which case the receiving party shall advise the other party before making the disclosure).

(c) All information and materials provided by GB&T pursuant to this Agreement shall be subject to the provisions of the Confidentiality Agreement entered into between SunTrust and Keefe Bruyette & Woods, Inc. on behalf of GB&T dated September 10, 2007 (the *Confidentiality Agreement*).

(d) No investigation by a party or its representatives shall affect the representations and warranties of the other party set forth in this Agreement.

6.3 *Shareholder Approval.*

(a) GB&T shall call a meeting of its shareholders (the *GB&T Shareholder Meeting*) to be held as soon as reasonably practicable after the date hereof for the purpose of obtaining the requisite shareholder approval required in connection with the Merger, on substantially the terms and conditions set forth in this Agreement, and shall use its reasonable best efforts to cause such meeting to occur as soon as reasonably practicable. The GB&T Board shall use its reasonable best efforts to obtain from its shareholders the shareholder vote approving the Merger, on substantially the terms and conditions set forth in this Agreement, required to consummate the transactions contemplated by this Agreement. The GB&T Board shall, subject to the provisions of [Section 6.10\(c\)](#), affirmatively recommend that the GB&T shareholders vote in favor of and adopt this Agreement. GB&T shall submit this Agreement to its shareholders at the GB&T Shareholder Meeting even if the GB&T Board shall have withdrawn, modified or qualified its recommendation, and shall not subject to a vote of its shareholders an Alternative Transaction (as defined below) at the GB&T Shareholder Meeting or any other shareholder meeting of GB&T. The GB&T Board has adopted resolutions approving the Merger, on substantially the terms and conditions set forth in this Agreement, and directing

that the Merger, on such terms and conditions, be submitted to GB&T's shareholders for their consideration.

- (b) Each of SunTrust and GB&T shall, and shall cause its respective Subsidiaries to, use their reasonable best efforts
- (i) to take, or cause to be taken, all actions necessary, proper or advisable to comply promptly with

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all legal requirements that may be imposed on such party or its Subsidiaries with respect to the Merger and, subject to the conditions set forth in Article VII hereof, to consummate the transactions contemplated by this Agreement, and (ii) to obtain (and to cooperate with the other party to obtain) any material consent, authorization, order or approval of, or any exemption by, any Governmental Entity and any other third party that is required to be obtained by GB&T or SunTrust or any of their respective Subsidiaries in connection with the Merger and the other transactions contemplated by this Agreement.

6.4 *Affiliates.* GB&T shall use its reasonable best efforts to cause each director, executive officer and other person who is an affiliate (for purposes of Rule 145 under the Securities Act) of GB&T to deliver to SunTrust, as soon as practicable after the date of this Agreement, and before the date of the meeting of the GB&T shareholders to be held pursuant to Section 6.3, a written agreement in the form of Exhibit A.

6.5 *NYSE Listing.* SunTrust shall cause the shares of SunTrust Common Stock to be issued in the Merger to be approved for listing on the NYSE, subject to official notice of issuance, before the Effective Time.

6.6 *Employee Matters.*

(a) For the 12 month period following the Effective Time, SunTrust shall, or shall cause its applicable Subsidiaries to, provide to those individuals actively employed by, or on an authorized leave of absence from, GB&T or one of its Subsidiaries as of the Effective Time, and who continue their employment with SunTrust or one of its Subsidiaries after the Effective Time (collectively, the *Covered Employees*) with employee benefits, rates of base salary or hourly wage and annual bonus opportunities that are available for similarly situated employees of SunTrust or its affiliates or Subsidiaries; notwithstanding the foregoing, nothing contained herein shall (i) be treated as an amendment of any particular GB&T Benefit Plan, (ii) give any third party any right to enforce the provisions of this Section 6.6, (iii) limit the right of SunTrust or any of its Subsidiaries to terminate the employment of any Covered Employee at any time or require SunTrust or any of its Subsidiaries to provide any such Covered Employee benefits, rates of base salary or hourly wage or annual bonus opportunities for any period following any such termination, other than as required by applicable law or pro-rata incentive plan payouts or as otherwise provided under this Agreement; or (iv) obligate GB&T, SunTrust or any of their respective Subsidiaries to (A) maintain any particular GB&T Benefit Plan or (B) retain the employment of any particular employee. Notwithstanding the foregoing, SunTrust shall have a reasonable period following the Effective Date, as it deems appropriate or necessary, in which to transition Covered Employees from GB&T's Benefits Plans to benefits plans maintained by SunTrust or its Subsidiaries.

(b) To the extent that a Covered Employee becomes eligible to participate in an employee benefit plan maintained by SunTrust or any of its Subsidiaries, other than GB&T or its Subsidiaries, SunTrust shall cause such employee benefit plan to recognize the service of such Covered Employee with GB&T or its Subsidiaries for purposes of eligibility and vesting (but not any benefit accrual), based on information provided by GB&T and the terms and service requirements (including break in service rules) of such employee benefit plan of SunTrust or any of its Subsidiaries; provided that such recognition of service shall not operate to duplicate any benefits with respect to the Covered Employee. With respect to a Covered Employee who becomes eligible for participation in the SunTrust Retirement Plan, such Covered Employee's benefits under such plan shall be calculated under the personal pension account formula, and such Covered Employee's service with GB&T and its Subsidiaries shall be recognized under such plan for purposes of eligibility to participate, vesting and pay credits for such Covered Employee's personal pension account. SunTrust shall also credit service with GB&T or its Subsidiaries for purposes of eligibility to participate in SunTrust's retiree health plan on an access only basis (with no employer subsidy for benefits or premiums). In addition, with respect to any health or dental plan of SunTrust or any of its Subsidiaries (other than GB&T and its Subsidiaries), for the plan year in which any Covered Employee first becomes eligible to participate, SunTrust shall (i) cause any pre-existing condition limitations under such SunTrust or Subsidiary plan to be waived with respect to such Covered Employee to the extent such limitation would have been waived or satisfied under the GB&T Benefit Plan in which such Covered Employee

participated immediately before such Covered Employee's initial participation in such plan of SunTrust or its Subsidiaries and (ii) cause each such health or dental plan of SunTrust or its Subsidiaries to recognize any applicable deductible and annual out-of-pocket expense incurred by each such Covered

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Employee in the same calendar year under any such comparable health or dental plan of SunTrust or any of its Subsidiaries.

(c) If a Covered Employee (other than temporary and/or co-operative employees) who does not have an employment, change-in-control or severance agreement with GB&T or any of its Subsidiaries is involuntarily terminated by SunTrust or any of its Subsidiaries during the period beginning at the Effective Time and ending 12 months after the Effective Time, such Covered Employee's right to severance pay, including the amount and form, shall be determined in accordance with the terms of SunTrust's severance pay plan (including customary releases and taking into account employee pay grade classifications to be made by SunTrust with respect to Covered Employees and giving service credit for such Covered Employee's service with GB&T to be made by SunTrust with respect to Covered Employees) as in effect immediately before the date hereof (subject to later amendments for exemption from or compliance with Section 409A of the Code).

GB&T shall take whatever action necessary to terminate any and all other severance arrangements and to ensure it and SunTrust have no other liability for any other severance payments (other than as set forth in this Section 6.6(c) and Section 6.6(d) below with respect to agreements disclosed in Section 3.11(i) of the GB&T Disclosure Schedule). GB&T shall cooperate with SunTrust to effectuate the foregoing, including SunTrust's compliance with the Worker Adjustment Retraining and Notification Act (*Warn Act*) or any similar state or local law (e.g., GB&T will cooperate with SunTrust to deliver Warn Act notices reasonably requested by SunTrust prior to the Effective Time).

Nothing contained in this Section 6.6(c) shall be construed or interpreted to limit or modify in any way SunTrust at-will employment policy. In addition, in no event shall severance pay payable under this Section 6.6(c) to any Covered Employee who does not have an employment, change-in-control or severance agreement with GB&T be taken into account in determining the amount of any other benefit (including, but not limited to, an individual's benefit under any retirement plan, SERP or agreement). If, by reason of the controlling plan document, controlling law or otherwise, severance pay is taken into account in determining any other benefit, the severance pay otherwise payable shall be reduced by the present value of the additional benefit determined under other benefit plans attributable to the severance pay.

(d) From and after the Effective Time, SunTrust shall, or shall cause its Subsidiaries to, honor, in accordance with the terms thereof as in effect as of the date hereof or as may be amended after the date hereof with the prior written consent of SunTrust, each employment agreement, retention agreement and change-in-control agreement listed on Section 3.11(i) of the GB&T Disclosure Schedule (unless otherwise agreed by SunTrust and the applicable counterparty to such agreement) and the obligations of GB&T and its Subsidiaries as of the Effective Time under each deferred compensation plan or agreement listed on Section 3.11(i) of the GB&T Disclosure Schedule. SunTrust agrees to take all action necessary to effectuate and satisfy the obligations set forth in the agreements listed in Section 3.11(i) of the GB&T Disclosure Schedule. GB&T has no contractual responsibility (and has made no promise or commitment to be responsible) for any Tax, penalty or interest imposed on any person by reason of any such agreements (or payments thereunder) that result in excess parachute payments under Section 280G of the Code or that fail to satisfy the requirements of Section 409A of the Code. The obligation of SunTrust or any of its Subsidiaries to provide severance pay on the termination of employment of any individual who has an employment agreement, retention agreement or change-in-control agreement listed on Section 3.11(i) of the GB&T Disclosure Schedule shall be determined solely in accordance with the terms of such agreement and neither SunTrust nor any of its Subsidiaries shall have any other obligation to provide severance pay to such individual under Section 6.6(c) or otherwise.

(e) Before the Effective Time, SunTrust may, in its sole discretion, elect to offer to certain GB&T employees (the number and identification of which shall be made in the absolute and sole discretion of SunTrust in coordination with the President of GB&T) retention agreements to assist in the voluntary retention of GB&T employees following the Effective Time.

(f) If SunTrust so requests (which request shall be made no less than 30 days prior to the Effective Time), GB&T shall take any and all actions required (including, without limitation, the adoption of resolutions

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by its Board of Directors) to amend, freeze and/or terminate GB&T's 401(k) plan or any other GB&T Benefit Plan immediately prior to the Effective Time, and, if requested by SunTrust, to implement any such actions.

(g) GB&T shall provide to SunTrust at least 15 days prior to the Effective Time documentation that shows the requirements of Code Sections 401(a)(4), 404, 410(b), 412, 415, 416 and 401(k)(3) and (m)(2) are met by or with respect to each GB&T Benefit Plan subject to such requirements as to the plan's latest three plan years which have ended prior to the date of this Agreement.

6.7 Indemnification; Directors and Officers Insurance.

(a) In the event of any threatened or actual claim, action, suit, proceeding or investigation, whether civil, criminal or administrative (a *Claim*), including any such Claim in which any individual who is now, or has been at any time before the date of this Agreement, or who becomes before the Effective Time, a director or officer of GB&T or any of its Subsidiaries or who is or was serving at the request of GB&T or any of its Subsidiaries as a director or officer of another person (the *Indemnified Parties*), is, or is threatened to be, made a party based in whole or in part on, or arising in whole or in part out of, or pertaining to (i) the fact that he is or was a director or officer of GB&T or any of its Subsidiaries before the Effective Time or (ii) this Agreement or any of the transactions contemplated by this Agreement, whether asserted or arising before or after the Effective Time, the parties shall cooperate and use their best efforts to defend against and respond thereto. All rights to indemnification and exculpation from liabilities for acts or omissions occurring at or before the Effective Time now existing in favor of any Indemnified Party as provided in their respective certificates or articles of incorporation or bylaws (or comparable organizational documents), and any existing indemnification agreements set forth on Section 6.7(a) of the GB&T Disclosure Schedule, shall survive the Merger and shall continue in full force and effect in accordance with their terms, and shall not be amended, repealed or otherwise modified after the Effective Time in any manner that would adversely affect the rights thereunder of such individuals for acts or omissions occurring at or before the Effective Time or taken at the request of SunTrust pursuant to Section 6.8, it being understood that nothing in this sentence shall require any amendment to the articles of incorporation or bylaws of the Surviving Corporation.

(b) SunTrust shall cause the individuals serving as officers and directors of GB&T or any of its Subsidiaries immediately before the Effective Time to be covered for a period of six years after the Effective Time by the directors and officers' liability insurance policy maintained by GB&T (provided that SunTrust may substitute therefor policies of at least the same coverage and amounts containing terms and conditions that are not less advantageous than such policy) with respect to acts or omissions occurring before the Effective Time that were committed by such officers and directors in their capacity as such; provided that in no event shall SunTrust be required to expend annually in the aggregate an amount in excess of 200% of the annual premiums currently paid by GB&T (which current amount is set forth on Section 6.7(b) of the GB&T Disclosure Schedule) for such insurance (the *Insurance Amount*), and provided further that if SunTrust is unable to maintain such policy (or such substitute policy) as a result of the preceding proviso, SunTrust shall obtain as much comparable insurance as is available for the Insurance Amount.

(c) The provisions of this Section 6.7 shall survive the Effective Time and are intended to be for the benefit of, and shall be enforceable by, each Indemnified Party and his or her heirs and representatives.

6.8 Additional Agreements.

(a) Subject to the terms and conditions of this Agreement, each of SunTrust and GB&T agrees to cooperate fully with each other and to use reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective, at the time and in the manner contemplated by this Agreement, the Merger, including using reasonable best efforts to lift or rescind any injunction or restraining order or other order adversely affecting the ability of the parties to consummate the Merger.

(b) In case at any time after the Effective Time any further action is necessary or desirable to carry out the purposes of this Agreement or to vest the Surviving Corporation with full title to all properties, assets, rights, approvals, immunities and franchises of any of the parties to the Merger, the proper officers and

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directors of each party to this Agreement and their respective Subsidiaries shall take all such necessary action as may be reasonably requested by SunTrust.

(c) SunTrust and GB&T shall use reasonable best efforts to cause the Merger to qualify as a reorganization within the meaning of Section 368(a) of the Code.

6.9 *Advice of Changes.* Each of SunTrust and GB&T shall promptly advise the other of any change or event (a) having or reasonably likely to have a Material Adverse Effect on it or (b) that it believes would or would be reasonably likely to cause or constitute a material breach of any of its representations, warranties or covenants contained in this Agreement; provided, however, that no such notification shall affect the representations, warranties, covenants or agreements of the parties (or remedies with respect thereto) or the conditions to the obligations of the parties under this Agreement; provided further that a failure to comply with this Section 6.9 shall not constitute a breach of this Agreement or the failure of any condition set forth in Article VII to be satisfied unless the underlying Material Adverse Effect or material breach would independently result in the failure of a condition set forth in Article VII to be satisfied.

6.10 *No Solicitation.*

(a) None of GB&T, its Subsidiaries or any officer, director, employee, agent or representative (including any investment banker, financial advisor, attorney, accountant or other retained representative) of GB&T or any of its Subsidiaries shall directly or indirectly (i) solicit, initiate, encourage, facilitate (including by way of furnishing information) or take any other action designed to facilitate any inquiries or proposals regarding any merger, share exchange, consolidation, sale of assets, sale of shares of capital stock (including by way of a tender offer) or similar transactions involving GB&T or any of its Subsidiaries that, if consummated, would constitute an Alternative Transaction (any of the foregoing inquiries or proposals being referred to herein as an *Alternative Proposal*), (ii) participate in any discussions or negotiations regarding an Alternative Transaction; or (iii) enter into any agreement regarding any Alternative Transaction. Notwithstanding the foregoing, the GB&T Board and its representatives shall be permitted, before the approval of this Agreement by GB&T's shareholders, and subject to compliance with the other terms of this Section 6.10 and to first entering into a confidentiality agreement with the person proposing such Alternative Proposal on terms substantially similar to, and no less favorable to GB&T than, those contained in the Confidentiality Agreement, to furnish nonpublic information regarding GB&T to a person, and to consider and participate in discussions and negotiations with respect to a bona fide Alternative Proposal received by GB&T that constitutes or is reasonably likely to result in a Superior Proposal and, if and only to the extent that and so long as the GB&T Board reasonably determines in good faith (after consultation with outside legal counsel) that failure to do so would cause it to violate its fiduciary duties.

As used in this Agreement, *Alternative Transaction* means any of (w) a transaction pursuant to which any person (or group of persons) (other than SunTrust or its affiliates), directly or indirectly, acquires or would acquire more than 25% of the outstanding shares of GB&T Common Stock or outstanding voting power or of any new series or new class of preferred stock that would be entitled to a class or series vote with respect to the Merger, whether from GB&T or pursuant to a tender offer or exchange offer or otherwise, (x) a merger, share exchange, consolidation or other business combination involving GB&T (other than the Merger), (y) any transaction pursuant to which any person (or group of persons) (other than SunTrust or its affiliates) acquires or would acquire control of assets (including for this purpose the outstanding equity securities of Subsidiaries of GB&T and securities of the entity surviving any merger or business combination including any of GB&T's Subsidiaries) of GB&T, or any of its Subsidiaries representing more than 25% of the fair market value of all the assets, net revenues or net income of GB&T and its Subsidiaries, taken as a whole, immediately before such transaction, or (z) any other consolidation, business combination, recapitalization or similar transaction involving GB&T or any of its Subsidiaries, other than the transactions contemplated by this Agreement, as a result of which the holders of shares of GB&T immediately before such transactions do not, in the

aggregate, own at least 75% of the outstanding shares of common stock and the outstanding voting power of the surviving or resulting entity in such transaction immediately after the consummation thereof in substantially the same proportion as such holders held the shares of GB&T Common Stock immediately before the consummation thereof.

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As used in this Agreement, *Superior Proposal* means an Alternative Proposal that the GB&T Board in good faith determines, would, if consummated, result in a transaction that is more favorable from a financial point of view to GB&T's shareholders than the transactions contemplated by this Agreement (x) after receiving the advice of a financial advisor (who shall be a nationally recognized investment banking firm), (y) after taking into account the likelihood of consummation of such transaction on the terms set forth therein (as compared to the terms in this Agreement) and (z) after taking into account all appropriate legal (with the advice of outside counsel), financial (including the financing terms of any such proposal), regulatory or other aspects of such proposal and any other relevant factors permitted by applicable Law; provided that for purposes of the definition of *Superior Proposal*, the references to 25% in the definition of Alternative Transaction shall be deemed to be references to a majority.

(b) GB&T shall notify SunTrust promptly (but in no event later than 24 hours) after receipt of any Alternative Proposal, or any material modification of or material amendment to any Alternative Proposal, or any request for nonpublic information relating to GB&T or any of its Subsidiaries or for access to the properties, books or records of GB&T or any Subsidiary by any person that informs the GB&T Board or any Subsidiary that it is considering making, or has made, an Alternative Proposal. Such notice to SunTrust shall be made orally and in writing, and shall indicate the identity of the person making the Alternative Proposal or intending to make or considering making an Alternative Proposal or requesting nonpublic information or access to the books and records of GB&T or any Subsidiary, and the material terms of any such Alternative Proposal or modification or amendment to an Alternative Proposal. GB&T shall keep SunTrust fully informed, on a current basis, of any material changes in the status and any material changes or modifications in the terms of any such Alternative Proposal, indication or request. GB&T shall also promptly, and in any event within 24 hours, notify SunTrust, orally and in writing, if it enters into discussions or negotiations concerning any Alternative Proposal in accordance with Section 6.10(a).

(c) Notwithstanding anything in this Agreement to the contrary, if, at any time prior to obtaining the approval of this Agreement by GB&T's shareholders, GB&T receives an Alternative Proposal (or a subsequent amended Alternative Proposal) that the GB&T Board concludes in good faith constitutes a Superior Proposal after giving effect to all of the adjustments which may be offered by SunTrust pursuant to clause (ii) below, the GB&T Board may effect a withdrawal of its recommendation of this Agreement; provided, that, the GB&T Board may not effect a withdrawal of its recommendation of this Agreement pursuant to the foregoing clause unless: (i) GB&T shall have provided prior written notice to SunTrust, at least five days in advance (the *Notice Period*), of its intention to effect a withdrawal of its recommendation of this Agreement in response to such Superior Proposal, which notice shall specify the material terms and conditions of any such Superior Proposal (including the identity of the party making such Superior Proposal), and shall have contemporaneously provided a copy of the relevant proposed transaction agreements with the party making such Superior Proposal and other material documents; and (ii) prior to effecting a withdrawal of its recommendation of this Agreement, GB&T shall, and shall cause its financial and legal advisors to, during the Notice Period, negotiate with SunTrust in good faith (to the extent SunTrust desires to negotiate) to make such adjustments in the terms and conditions of this Agreement so that such Alternative Proposal ceases to constitute a Superior Proposal.

(d) GB&T and its Subsidiaries shall immediately cease and cause to be terminated any existing discussions or negotiations with any persons (other than SunTrust) conducted heretofore with respect to any of the foregoing. GB&T agrees not to, and to cause its Subsidiaries not to, release any third party from the confidentiality and standstill provisions of any agreement to which GB&T or its Subsidiaries is or may become a party, and shall immediately take all steps necessary to terminate any approval that may have been heretofore given under any such provisions authorizing any person to make an Alternative Proposal.

(e) GB&T shall ensure that the officers, directors and all employees, agents and representatives (including any investment bankers, financial advisors, attorneys, accountants or other retained representatives) of GB&T or its Subsidiaries are aware of the restrictions described in this Section 6.10 as reasonably necessary to avoid violations thereof. It is understood that any violation of the restrictions set forth in this Section 6.10 by any officer, director,

employee, agent or representative (including any investment banker, financial advisor, attorney, accountant or other retained representative) of GB&T or its Subsidiaries, at the

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direction or with the consent of GB&T or its Subsidiaries, shall be deemed to be a breach of this Section 6.10 by GB&T.

(f) Nothing contained in this Section 6.10 shall prohibit GB&T or its Subsidiaries from taking and disclosing to its shareholders a position required by Rule 14e-2(a) or Rule 14d-9 promulgated under the Exchange Act; provided, however, that compliance with such rules shall not in any way limit or modify the effect that any action taken pursuant to such rules has on any other provision of this Agreement.

6.11 *Non-Compete Agreements.* Concurrently with the execution and delivery of this Agreement, the individuals listed on Schedule B attached hereto have executed non-compete agreements as a material inducement to SunTrust to enter into this Agreement.

6.12 *Dividends.* After the date of this Agreement, each of SunTrust and GB&T shall coordinate with the other the declaration of any dividends in respect of SunTrust Common Stock and GB&T Common Stock and the record dates and payment dates relating thereto, it being the intention of the parties that holders of GB&T Common Stock shall not receive two dividends, or fail to receive one dividend, for any quarter with respect to their shares of GB&T Common Stock and any shares of SunTrust Common Stock any such holder receives in exchange therefor in the Merger.

6.13 *Exemption from Liability Under Section 16(b).* SunTrust and GB&T agree that, in order to most effectively compensate and retain GB&T Insiders (as defined below) in connection with the Merger, both prior to and after the Effective Time, it is desirable that GB&T Insiders not be subject to a risk of liability under Section 16(b) of the Exchange Act to the fullest extent permitted by applicable law in connection with the conversion of shares of GB&T Common Stock, GB&T Options and GB&T Stock-Based Awards into shares of SunTrust Common Stock, Adjusted Options and Assumed Stock-Based Awards, respectively, in the Merger, and for that compensatory and retentive purpose agree to the provisions of this Section 6.13. Assuming that GB&T delivers to SunTrust the Section 16 Information (as defined below) in a timely fashion, the Board of Directors of SunTrust, or a committee of Non-Employee Directors thereof (as such term is defined for purposes of Rule 16b-3(d) under the Exchange Act), shall adopt a resolution providing that the receipt by GB&T Insiders of SunTrust Common Stock in exchange for shares of GB&T Common Stock, of Adjusted Options upon conversion of GB&T Options, and of Assumed Stock-Based Awards upon conversion of GB&T Stock-Based Awards, in each case pursuant to the transactions contemplated by this Agreement and to the extent such securities are listed in the Section 16 Information, are intended to be exempt from liability pursuant to Section 16(b) under the Exchange Act. The term *Section 16 Information* shall mean information accurate in all material respects regarding GB&T Insiders, the number of shares of GB&T Common Stock held by each such GB&T Insider and expected to be exchanged for SunTrust Common Stock in the Merger, and the number and description of the GB&T Options and GB&T Stock-Based Awards held by each such GB&T Insider and expected to be converted into Adjusted Options and Assumed Stock-Based Awards, respectively, in connection with the Merger. The term *GB&T Insiders* shall mean those officers and directors of GB&T who are subject to the reporting requirements of Section 16(a) of the Exchange Act and who are listed in the Section 16 Information.

6.14 *Procurement Contracts.* Within twenty (20) days after the date hereof, GB&T shall provide a list to SunTrust of all contracts of GB&T and its Subsidiaries under which third parties license software or provide goods or services to GB&T or any of its Subsidiaries involving annual payments of \$100,000 or more.

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ARTICLE VII

CONDITIONS PRECEDENT

7.1 *Conditions to Each Party's Obligation to Effect the Merger.* The respective obligations of the parties to effect the Merger shall be subject to the satisfaction at or before the Effective Time of the following conditions:

(a) *Shareholder Approval.* The Merger, on substantially the terms and conditions set forth in this Agreement, shall have been approved by the requisite affirmative vote of the holders of GB&T Common Stock entitled to vote thereon.

(b) *NYSE Listing.* The shares of SunTrust Common Stock to be issued to the holders of GB&T Common Stock upon consummation of the Merger shall have been authorized for listing on the NYSE subject to official notice of issuance.

(c) *Form S-4.* The Form S-4 shall have become effective under the Securities Act, no stop order suspending the effectiveness of the Form S-4 shall have been issued and no proceedings for that purpose shall have been initiated or threatened by the SEC.

(d) *No Injunctions or Restraints; Illegality.* No order, injunction or decree issued by any court or agency of competent jurisdiction or other legal restraint or prohibition (an *Injunction*) preventing the consummation of the Merger or any of the other transactions contemplated by this Agreement shall be in effect, and no such Injunction shall be threatened by or before any Governmental Entity which represents a reasonable probability of preventing the consummation of the Merger or any of the other transactions contemplated by this Agreement or imposing damages that would reasonably be expected to have a Material Adverse Effect on SunTrust, a Material Adverse Effect on GB&T or a Material Adverse Effect on the Surviving Corporation (measured in the case of GB&T or the Surviving Corporation with respect to the business, results of operations or financial condition of GB&T only and not any other business, results of operations or financial conditions of the Surviving Corporation). No statute, rule, regulation, order, Injunction or decree shall have been enacted, entered, promulgated or enforced by any Governmental Entity that prohibits or makes illegal consummation of the Merger.

7.2 *Conditions to Obligations of SunTrust.* The obligation of SunTrust to effect the Merger is also subject to the satisfaction, or waiver by SunTrust, at or before the Effective Time, of the following conditions:

(a) *Representations and Warranties.* Subject to the standard set forth in Section 9.2, the representations and warranties of GB&T set forth in this Agreement shall be true and correct as of the date of this Agreement and as of the Effective Time as though made on and as of the Effective Time (except that representations and warranties that by their terms speak specifically as of the date of this Agreement or another date shall be true and correct as of such date), and SunTrust shall have received a certificate signed on behalf of GB&T by the Chief Executive Officer or Chief Financial Officer of GB&T to the foregoing effect.

(b) *Performance of Obligations of GB&T.* GB&T shall have performed in all material respects all obligations required to be performed by it under this Agreement at or before the Effective Time; and SunTrust shall have received a certificate signed on behalf of GB&T by the Chief Executive Officer of GB&T to such effect.

(c) *Regulatory Approvals.* All regulatory approvals set forth in Section 4.4 required to consummate the transactions contemplated by this Agreement, including the Merger, shall have been obtained and shall remain in full force and effect and all statutory waiting periods in respect thereof shall have expired (all such approvals and the expiration of all such waiting periods being referred as the *SunTrust Requisite Regulatory Approvals*), and no such regulatory approval shall have resulted in the imposition of any Materially Burdensome Regulatory Condition.

(d) *Federal Tax Opinion.* SunTrust shall have received the opinion of SunTrust's counsel, dated the Closing Date, in form and substance reasonably satisfactory to SunTrust, substantially to the effect that,

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on the basis of facts, representations and assumptions set forth in such opinion that are consistent with the state of facts existing at the Effective Time, the Merger will be treated as a reorganization within the meaning of Section 368(a) of the Code. In rendering such opinion, SunTrust's counsel may require and rely upon customary representations contained in certificates of officers of GB&T and SunTrust, reasonably satisfactory in form and substance to such counsel.

7.3 Conditions to Obligations of GB&T. The obligation of GB&T to effect the Merger is also subject to the satisfaction or waiver by GB&T at or before the Effective Time of the following conditions:

(a) *Representations and Warranties.* Subject to the standard set forth in Section 9.2, the representations and warranties of SunTrust set forth in this Agreement shall be true and correct as of the date of this Agreement and as of the Effective Time as though made on and as of the Effective Time (except that representations and warranties that by their terms speak specifically as of the date of this Agreement or another date shall be true and correct as of such date), and GB&T shall have received a certificate signed on behalf of SunTrust by the Chief Executive Officer or the Chief Financial Officer of SunTrust to the foregoing effect.

(b) *Performance of Obligations of SunTrust.* SunTrust shall have performed in all material respects all obligations required to be performed by it under this Agreement at or before the Effective Time, and GB&T shall have received a certificate signed on behalf of SunTrust by the Chief Executive Officer or the Chief Financial Officer of SunTrust to such effect.

(c) *Regulatory Approvals.* All regulatory approvals set forth in Section 3.4 required to consummate the transactions contemplated by this Agreement, including the Merger, shall have been obtained and shall remain in full force and effect and all statutory waiting periods in respect thereof shall have expired (all such approvals and the expiration of all such waiting periods being referred as the *GB&T Requisite Regulatory Approvals*).

(d) *Federal Tax Opinion.* GB&T shall have received the opinion of GB&T's counsel, dated the Closing Date, in form and substance reasonably satisfactory to GB&T, substantially to the effect that, on the basis of facts, representations and assumptions set forth in such opinion that are consistent with the state of facts existing at the Effective Time, (i) the Merger will be treated as a reorganization within the meaning of Section 368(a) of the Code and (ii) except to the extent of any cash received in lieu of fractional share interests in SunTrust Common Stock, no gain or loss will be recognized by any of the holders of GB&T Common Stock in the Merger by virtue of their receipt of SunTrust Common Stock or the treatment of GB&T Options and GB&T Stock-Based Awards provided herein. In rendering such opinion, GB&T's counsel may require and rely upon customary representations contained in certificates of officers of GB&T and SunTrust, reasonably satisfactory in form and substance to such counsel. Notwithstanding the foregoing, if GB&T's counsel fails to deliver such opinion, the condition in this Section 7.3(d) may be satisfied, at SunTrust's sole election, by an opinion of SunTrust's counsel.

ARTICLE VIII

TERMINATION AND AMENDMENT

8.1 Termination. This Agreement may be terminated at any time before the Effective Time, whether before or after approval of the matters presented in connection with the Merger by the shareholders of GB&T:

(a) *Consent of the Parties.* By consent of GB&T and SunTrust in a written instrument, if the board of directors of each of GB&T and SunTrust so determines by a vote of the majority of the members of its entire board of directors;

(b) *Approvals.* By either GB&T or SunTrust, if

(i) any Governmental Entity that must grant a SunTrust Requisite Regulatory Approval or a GB&T Requisite Regulatory Approval has denied approval of the Merger and such denial has become final and nonappealable or any Governmental Entity of competent jurisdiction shall have

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issued a final and nonappealable order permanently enjoining or otherwise prohibiting the consummation of the transactions contemplated by this Agreement;

(ii) the holders of the GB&T Common Stock entitled to vote thereon do not approve the Merger, on substantially the terms and conditions set forth in this Agreement, by the requisite affirmative vote at the GB&T Shareholder Meeting or any similar meeting of the shareholders of GB&T;

(c) *Delay.* By either GB&T or SunTrust, if the Merger shall not have been consummated on or before July 31, 2008, unless the failure of the Closing to occur by such date shall be due to the failure of the party seeking to terminate this Agreement to perform or observe the covenants and agreements of such party set forth in this Agreement;

(d) *Material Breach of Representation, Warranty or Covenant.* By either SunTrust or GB&T (provided that the terminating party is not then in breach of any representation, warranty, covenant or other agreement contained in this Agreement), if there shall have been a breach of any of the covenants or agreements or any of the representations or warranties set forth in this Agreement on the part of GB&T, in the case of a termination by SunTrust, or SunTrust in the case of a termination by GB&T, which breach, either individually or in the aggregate, would result in, if occurring or continuing on the Closing Date, the failure of any of the conditions set forth in Section 7.2 or Section 7.3, as the case may be, and which is not cured within 45 days following written notice to the party committing such breach or by its nature or timing cannot be cured within such time period; or

(e) *Failure to Recommend.* By SunTrust, if the GB&T Board shall have (i) failed to recommend in the Proxy Statement the approval and adoption of this Agreement or (ii) in a manner adverse to SunTrust, (A) withdrawn, modified or qualified, or proposed to withdraw, modify or qualify, the recommendation by the GB&T Board of this Agreement and/or the Merger to GB&T's shareholders, (B) taken any public action or made any public statement in connection with the meeting of GB&T's shareholders to be held pursuant to Section 6.3 inconsistent with such recommendation (including not taking action to convene the GB&T Shareholder Meeting) or (C) recommended any Alternative Proposal (or, in the case of clause (ii), resolved to take any such action), whether or not permitted by the terms hereof.

The party desiring to terminate this Agreement pursuant to any clause of this Section 8.1 (other than clause (a)) shall give written notice of such termination to the other party in accordance with Section 9.3, specifying the provision or provisions hereof pursuant to which such termination is effected.

8.2 Effect of Termination. If either GB&T or SunTrust terminates this Agreement as provided in Section 8.1, this Agreement shall forthwith become void and have no effect, and none of GB&T, SunTrust, any of their respective Subsidiaries or any of the officers or directors of any of them shall have any liability of any nature whatsoever under this Agreement, or in connection with the transactions contemplated by this Agreement, except that (i) Sections 6.2(b), 8.2, 8.3, 9.2, 9.6, 9.7 and 9.8 shall survive any termination of this Agreement and (ii) neither GB&T nor SunTrust shall be relieved or released from any liabilities or damages arising out of its breach of any provision of this Agreement.

8.3 Fees and Expenses.

(a) Except as set forth in Section 8.3(b), and except with respect to costs and expenses of printing and mailing the Proxy Statement and all filing and other fees paid to the SEC in connection with the Merger, which shall be borne equally by GB&T and SunTrust, all fees and expenses incurred in connection with the Merger, this Agreement and the transactions contemplated by this Agreement shall be paid by the party incurring such fees or expenses, whether or not the Merger is consummated.

(b) GB&T shall pay to SunTrust, by wire transfer of immediately available funds, a termination fee in the amount of \$6,000,000 (the *Termination Fee*) and/or expense reimbursement on the following terms:

(i) If this Agreement is terminated by SunTrust pursuant to Section 8.1(e), then GB&T shall pay the Termination Fee on the business day following such termination;

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(ii) If (A) either party shall terminate this Agreement pursuant to Section 8.1(b)(ii) and (B) at any time after the date of this Agreement and on or before the date of the GB&T Shareholder Meeting an Alternative Transaction shall have been publicly announced or otherwise communicated to the GB&T Board (a *Public Proposal*) that has not been withdrawn prior to such date, then GB&T shall pay one-third of the Termination Fee on the business day following such termination and, if within 12 months of the date of such termination, GB&T or any of its Subsidiaries enters into any definitive agreement with respect to, or consummates, any Alternative Transaction, then GB&T shall pay the remaining two-thirds of the Termination Fee on the date of such execution or consummation;

(iii) If (A) either party shall terminate this Agreement pursuant to Section 8.1(b)(ii) and (B) Section 8.3(b)(ii) does not otherwise apply, then GB&T shall promptly, on the business day after being notified by SunTrust, pay SunTrust all of the out-of-pocket expenses incurred by SunTrust relating to or arising out of this Agreement or the transactions contemplated hereby (including the negotiation hereof and thereof and fees and expenses of attorneys and other advisors) in an amount not to exceed \$1,000,000 (the *Expense Reimbursement*), and if within 12 months of the date of such termination, GB&T or any of its Subsidiaries enters into any definitive agreement with respect to, or consummates, any Alternative Transaction, then GB&T shall pay the Termination Fee, less the Expense Reimbursement, on the date of such execution or consummation;

(iv) If (A) either party shall terminate this Agreement pursuant to Section 8.1(c) and (B) at any time after the date of this Agreement and before such termination there shall have been a Public Proposal that has not been withdrawn prior to such termination, then GB&T shall pay one-third of the Termination Fee on the business day following such termination and, if within 12 months of the date of termination, GB&T or any of its Subsidiaries executes any definitive agreement with respect to, or consummates, any Alternative Transaction, then GB&T shall pay the remaining two-thirds of the Termination Fee upon the date of such execution or consummation.

Upon payment of all applicable fees and expenses in accordance with this Section 8.3, GB&T shall have no further liability to SunTrust at law or in equity with respect to such termination, or with respect to GB&T Board's failure to take action to convene the GB&T Shareholder Meeting and/or recommend that GB&T shareholders adopt this Agreement.

(c) GB&T acknowledges that the agreements contained in this Section 8.3 are an integral part of the transactions contemplated by this Agreement and that, without these agreements, SunTrust would not enter into this Agreement. Accordingly, if GB&T fails to pay timely any amount due pursuant to this Section 8.3 and, in order to obtain such payment, SunTrust commences a suit that results in a judgment against GB&T for the amount payable to SunTrust pursuant to this Section 8.3, GB&T shall pay to SunTrust its reasonable, out-of-pocket costs and expenses (including attorneys' fees and expenses) in connection with such suit, together with interest on the amount so payable at the prime lending rate prevailing at such time, as published in *The Wall Street Journal*, from the date such amounts were required to be paid until the date actually received by SunTrust.

8.4 Amendment. This Agreement may, to the extent legally allowed, be amended by the parties, by action taken or authorized by their respective Boards of Directors, at any time before or after approval of the matters presented in connection with the Merger by the shareholders of GB&T; provided, however, that after any approval of the transactions contemplated by this Agreement by the shareholders of GB&T, there may not be, without further approval of such shareholders, any amendment of this Agreement that (a) alters or changes the amount or the form of the consideration to be delivered under this Agreement to the holders of GB&T Common Stock, if such alteration or change would adversely affect the holders of any security of GB&T, (b) alters or changes any term of the articles of incorporation of the Surviving Corporation if such alteration or change would adversely affect the holders of any securities of GB&T, or (c) alters or changes any of the terms and conditions of this Agreement if such alteration or change would adversely affect the holders of any securities of GB&T, in each case other than as contemplated by this Agreement. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the

parties.

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8.5 *Extension; Waiver.* At any time before the Effective Time, the parties, by action taken or authorized by their respective Boards of Directors, may, to the extent legally allowed, (a) extend the time for the performance of any of the obligations or other acts of the other party, (b) waive any inaccuracies in the representations and warranties contained in this Agreement or (c) waive compliance with any of the agreements or conditions contained in this Agreement. Any agreement on the part of a party to any such extension or waiver shall be valid only if set forth in a written instrument signed on behalf of such party, but such extension or waiver or failure to insist on strict compliance with an obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

ARTICLE IX

GENERAL PROVISIONS

9.1 *Closing.* On the terms and subject to conditions set forth in this Agreement, the closing of the Merger (the *Closing*) shall take place at 10:00 a.m. on a date and at a place to be specified by the parties, which date shall be no later than five business days after the satisfaction or waiver (subject to applicable law) of the latest to occur of the conditions set forth in Article VII (other than those conditions that by their nature are to be satisfied or waived at the Closing), unless extended by mutual agreement of the parties (the *Closing Date*). If the conditions set forth in Article VII are satisfied or waived during the two weeks immediately before the end of a fiscal quarter of SunTrust, then SunTrust may postpone the Closing until the first full week after the end of that fiscal quarter.

9.2 *Standard.* No representation or warranty of GB&T contained in Article III or of SunTrust contained in Article IV shall be deemed untrue or incorrect for any purpose under this Agreement, and no party hereto shall be deemed to have breached a representation or warranty for any purpose under this Agreement, in any case as a consequence of the existence or absence of any fact, circumstance or event unless such fact, circumstance or event, individually or when taken together with all other facts, circumstances or events inconsistent with any representations or warranties contained in Article III, in the case of GB&T, or Article IV, in the case of SunTrust, has had or would be reasonably likely to have a Material Adverse Effect with respect to GB&T or SunTrust, respectively (disregarding for purposes of this Section 9.2 any materiality or Material Adverse Effect qualification contained in any representations or warranties). Notwithstanding the immediately preceding sentence, the representations and warranties contained in (a) Sections 3.1(a), 3.2, 3.3(a), 3.3(b)(i) and 3.7 in the case of GB&T, and Sections 4.1(a), 4.2, 4.3(a), 4.3(b)(i) and 4.7 in the case of SunTrust, shall be deemed untrue and incorrect if not true and correct in all material respects, and (b) Section 3.8(a) in the case of GB&T and Section 4.8(a) in the case of SunTrust, shall be deemed untrue and incorrect if not true and correct in all respects.

9.3 *Nonsurvival of Representations, Warranties and Agreements.* None of the representations, warranties, covenants and agreements set forth in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Effective Time, except for Section 6.8(b) and for those other covenants and agreements contained in this Agreement that by their terms apply or are to be performed in whole or in part after the Effective Time.

9.4 *Notices.* All notices and other communications in connection with this Agreement shall be in writing and shall be deemed given if delivered personally, sent via facsimile (with confirmation), mailed by registered or certified mail (return receipt requested) or delivered by an express courier (with confirmation) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) if to GB&T, to:

GB&T Bancshares, Inc.
500 Jesse Jewell Parkway SE

P.O. Box 2760
Gainesville, GA 30501
Attn: Richard A. Hunt
Facsimile: (770) 531-7368

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with a copy to:

Troutman Sanders LLP
600 Peachtree Street
Suite 5200
Atlanta, GA 30308
Attn: Thomas O. Powell
Facsimile: (404) 962-6658

And

(b) if to SunTrust, to:

SunTrust Banks, Inc.
303 Peachtree Street NE, 36th Floor
Atlanta, GA 30308
Attn: Raymond D. Fortin
Facsimile: (404) 724-3550

with a copy to:

King & Spalding LLP
1180 Peachtree Street NE
Atlanta, GA 30309
Attn: C. William Baxley
Facsimile: (404) 572-5132

9.5 Interpretation. When a reference is made in this Agreement to Articles, Sections, Exhibits or Schedules, such reference shall be to an Article or Section of or Exhibit or Schedule to this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words include, includes or including are used in this Agreement, they shall be deemed to be followed by the words without limitation. The GB&T Disclosure Schedule and the SunTrust Disclosure Schedule, as well as all other schedules and all exhibits hereto, shall be deemed part of this Agreement and included in any reference to this Agreement. This Agreement shall not be interpreted or construed to require any person to take any action, or fail to take any action, if to do so would violate any applicable law. For purposes of this Agreement, (a) *person* means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity (including its permitted successors and assigns) and (b) *knowledge* of any person that is not an individual means the knowledge of such person's directors and senior executive officers.

9.6 Counterparts. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each of the parties and delivered to the other parties, it being understood that each party need not sign the same counterpart.

9.7 Entire Agreement. This Agreement (including the Disclosure Schedules and Exhibits hereto and the other documents and the instruments referred to in this Agreement), together with the Confidentiality Agreement, constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter of this Agreement, other than the Confidentiality Agreement.

9.8 *Governing Law; Jurisdiction.* This Agreement shall be governed and construed in accordance with the internal laws of the State of Georgia applicable to contracts made and wholly performed within such state, without regard to any applicable conflicts-of-law principles. The parties agree that any suit, action or proceeding brought by either party to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be brought in any federal court located in Atlanta, Georgia having jurisdiction over the matter; provided, however, that if such a federal court does not have

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jurisdiction over the matter, any aforementioned suit, action or proceeding shall be brought in a state court located in Atlanta, Georgia having jurisdiction over the matter. Each of the parties submits to the jurisdiction of any such court in any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of, or in connection with, this Agreement or the transactions contemplated hereby and hereby irrevocably waives the benefit of jurisdiction derived from present or future domicile or otherwise in such action or proceeding. Each party irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

9.9 *Publicity.* Neither GB&T nor SunTrust shall, and neither GB&T nor SunTrust shall permit any of its Subsidiaries or agents to, issue or cause the publication of any press release or other public announcement with respect to the transactions contemplated by this Agreement without the prior consent (which consent shall not be unreasonably withheld) of SunTrust, in the case of a proposed announcement by GB&T, or GB&T, in the case of a proposed announcement by SunTrust or any of its Subsidiaries; provided, however, that any party may, without the prior consent of the other parties (but after prior consultation with the other parties to the extent practicable under the circumstances) issue or cause the publication of any press release or other public announcement to the extent required by law or by the rules and regulations of any applicable securities exchange.

9.10 *Assignment; Third-Party Beneficiaries.* Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned by either of the parties (whether by operation of law or otherwise) without the prior written consent of the other party. Subject to the preceding sentence, this Agreement shall be binding upon, inure to the benefit of and be enforceable by each of the parties and their respective successors and assigns. Except as otherwise specifically provided in Section 6.7, this Agreement (including the documents and instruments referred to in this Agreement) is not intended to and does not confer upon any person other than the parties hereto any rights or remedies under this Agreement.

9.11 *Enforcement of Agreement.* The parties hereto agree that irreparable damage would occur in the event that this Agreement were not performed in accordance with its specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, this being in addition to any other remedy to which they are entitled at law or in equity.

9.12 *Severability.* Any term or provision of this Agreement that is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only as broad as is enforceable.

[Signature Page Follows]

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IN WITNESS WHEREOF, GB&T and SunTrust have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first above written.

GB&T BANCSHARES, INC.

Name: Richard A. Hunt
By: /s/ Richard A. Hunt
Title: President and Chief Executive Officer

SUNTRUST BANKS, INC.

Name: Richard G. Blumberg
By: /s/ Richard G. Blumberg
Title: Senior Vice President

Signature Page to Agreement and Plan of Merger

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Appendix B

Fairness Opinion of KBW

November 1, 2007

The Board of Directors
GB&T Bancshares, Inc.
500 Jesse Jewell Parkway, SE
Gainesville, Georgia 30501

Members of the Board:

You have requested our opinion as investment bankers as to the fairness, from a financial point of view, to the shareholders of GB&T Bancshares, Inc. (GB&T) of the terms and conditions of the proposed merger (the Merger) of GB&T into SunTrust Banks, Inc. (SunTrust), pursuant to the Agreement and Plan of Merger, dated as of November 1, 2007, between GB&T and SunTrust (the Agreement). Pursuant to the terms of the Agreement, each outstanding share of common stock of GB&T, no par value (the Common Shares), will be converted into the right to receive 0.1562 shares of SunTrust common stock, \$1.00 par value (the Merger Consideration), subject to the formulas and certain adjustments as set forth in the Agreement.

Keefe, Bruyette & Woods, Inc., as part of its investment banking business, is continually engaged in the valuation of bank and bank holding company securities in connection with acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for various other purposes. As specialists in the securities of banking companies, we have experience in, and knowledge of, the valuation of banking enterprises. In the ordinary course of our business as a broker-dealer, we may, from time to time purchase securities from, and sell securities to, GB&T and SunTrust, and as a market maker in securities, we may from time to time have a long or short position in, and buy or sell, debt or equity securities of GB&T and SunTrust for our own account and for the accounts of our customers. We have acted exclusively for the Board of Directors of GB&T in rendering this fairness opinion and will receive a fee from GB&T for our services.

In connection with this opinion, we have reviewed, analyzed and relied upon material bearing upon the financial and operating condition of GB&T and SunTrust and the Merger, including among other things, the following: (i) the Agreement; (ii) the Annual Reports to Shareholders and Annual Reports on Form 10-K for the three years ended December 31, 2006, 2005 and 2004 of GB&T; (iii) the Annual Reports to Shareholders, the Annual Report on Form 10-K for the year ended December 31, 2006, 2005 and 2004 of SunTrust; (iv) certain interim reports to shareholders and Quarterly Reports on Form 10-Q of GB&T for the fiscal quarters ended March 31, 2007 and June 30, 2007 and certain other communications from GB&T to its shareholders; (v) certain interim reports to shareholders and Quarterly Reports on Form 10-Q of SunTrust for the fiscal quarters ended March 31, 2006 and June 30, 2006 and certain other communications from SunTrust to its shareholders; and (vi) other financial information concerning the businesses and operations of GB&T and SunTrust furnished to us by GB&T and SunTrust for purposes of our analysis. We have also held discussions with senior management of GB&T and SunTrust regarding the past and current business operations, regulatory relations, financial condition and future prospects of their respective companies and such other matters as we have deemed relevant to our inquiry. In addition, we have compared certain financial and stock market information for GB&T and SunTrust with similar information for certain other banking companies the securities of which are publicly traded, reviewed the financial terms of certain recent business combinations in the banking industry and performed such other studies and analyses as we considered

appropriate.

In conducting our review and arriving at our opinion, we have relied upon the accuracy and completeness of all of the financial and other information provided to us or publicly available and we have not assumed any responsibility for independently verifying the accuracy or completeness of any such information. We have relied upon the senior management of GB&T and SunTrust as to the reasonableness and achievability of the financial and operating forecasts and projections (and the assumptions and bases therefor) provided to us, and we have assumed that such forecasts and projections reflect the best currently available estimates and judgments of such managements and that such forecasts and projections will be realized in the amounts and in

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the time periods currently estimated by such managements. We are not experts in the independent verification of the adequacy of allowances for loan and lease losses and we have assumed, with your consent and SunTrust's consent, that the aggregate allowances for loan and lease losses for GB&T and SunTrust are adequate to cover such losses. In rendering our opinion, we have not made or obtained any evaluations or appraisals of the property of GB&T or SunTrust, nor have we examined any individual credit files.

We have considered such financial and other factors as we have deemed appropriate under the circumstances, including, among others, the following: (i) the historical and current financial position and results of operations of GB&T and SunTrust; (ii) the assets and liabilities of GB&T and SunTrust; and (iii) the nature and terms of certain other merger transactions involving banks and bank holding companies. We have also taken into account our assessment of general economic, market and financial conditions and our experience in other transactions, as well as our experience in securities valuation and knowledge of the banking industry generally. Our opinion is necessarily based upon conditions as they exist and can be evaluated on the date hereof and the information made available to us through the date hereof, and does not address the relative merits of the Merger as compared to any alternative business strategies that might exist for GB&T or any other business combination in which GB&T might engage.

Based upon and subject to the foregoing, it is our opinion that, as of the date hereof, the Merger Consideration is fair, from a financial point of view, to holders of the Common Shares.

Very truly yours,

/s/ Keefe, Bruyette & Woods, Inc.

Keefe, Bruyette & Woods, Inc.

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PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 20. *Indemnification of Directors and Officers.*

The following summary is qualified in its entirety by reference to the GBCC and the Amended and Restated Bylaws of SunTrust Banks, Inc. (SunTrust or Registrant) referred to below.

Statutory Authority

The GBCC allows a corporation, pursuant to the corporation's articles of incorporation, bylaws, contract or resolution approved or ratified by the corporation's shareholders, to indemnify or obligate itself to indemnify a director or officer made party to a proceeding, including a proceeding brought by or in the right of the corporation. In addition, the GBCC permits a corporation to eliminate or limit the personal liability of a director to the corporation or its shareholders for monetary damages for breach of duty of care or other duty as a director, provided that no provisions shall eliminate or limit the liability of a director: (A) for any appropriation, in violation of his duties, of any business opportunity of the corporation; (B) for acts or omissions which involve intentional misconduct or a knowing violation of law; (C) for unlawful corporate distributions; or (D) for any transaction from which the director received an improper personal benefit. This provision, which has been adopted by the Registrant, pertains only to breaches of duty by directors in their capacity as directors (and not in any other corporate capacity, such as officers) and limits liability only for breaches of fiduciary duties under Georgia corporate law (and not for violation of other laws, such as the federal securities laws).

Bylaw Authority

Article VII of SunTrust's Amended and Restated Bylaws provides:

Section 1. *Definitions.*

As used in this Article, the term:

(A) *Corporation* includes any domestic or foreign predecessor entity of this Corporation in a merger or other transaction in which the predecessor's existence ceased upon completion of the transaction.

(B) *Director* means an individual who is or was a director of the Corporation or an individual who, while a director of the Corporation, is or was serving at the Corporation's request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other entity. A director is considered to be serving an employee benefit plan at the Corporation's request if his duties to the Corporation also impose duties on, or otherwise involve services by, him to the plan or to participants in or beneficiaries of the plan. Director includes, unless the context requires otherwise, the estate or personal representative of a director.

(C) *Disinterested director* means a director who at the time of a vote referred to in Section 3(C) or a vote or selection referred to in Section 4(B), 4(C) or 7(A) is not: (i) a party to the proceeding; or (ii) an individual who is a party to a proceeding having a familial, financial, professional, or employment relationship with the director whose indemnification or advance for expenses is the subject of the decision being made with respect to the proceeding, which relationship would, in the circumstances, reasonably be expected to exert an influence on the director's judgment when voting on the decision being made.

(D) *Employee* means an individual who is or was an employee of the Corporation or an individual who, while an employee of the Corporation, is or was serving at the Corporation's request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise. An *Employee* is considered

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to be serving an employee benefit plan at the Corporation's request if his duties to the Corporation also impose duties on, or otherwise involve services by, him to the plan or to participants in or beneficiaries of the plan. Employee includes, unless the context requires otherwise, the estate or personal representative of an employee.

(E) *Expenses* includes counsel fees.

(F) *Liability* means the obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan), or reasonable expenses incurred with respect to a proceeding.

(G) *Officer* means an individual who is or was an officer of the Corporation which for purposes of this Article VII shall include an assistant officer, or an individual who, while an Officer of the Corporation, is or was serving at the Corporation's request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other entity. An Officer is considered to be serving an employee benefit plan at the Corporation's request if his duties to the Corporation also impose duties on, or otherwise involve services by, him to the plan or to participants in or beneficiaries of the plan. Officer includes, unless the context requires otherwise, the estate or personal representative of an Officer.

(H) *Official capacity* means: (i) when used with respect to a director, the office of a director in a corporation; and (ii) when used with respect to an Officer, the office in a corporation held by the Officer. Official capacity does not include service for any other domestic or foreign corporation or any partnership, joint venture, trust, employee benefit plan, or other entity.

(I) *Party* means an individual who was, is, or is threatened to be made a named defendant or respondent in a proceeding.

(J) *Proceeding* means any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitrative or investigative and whether formal or informal.

Section 2. Basic Indemnification Arrangement.

(A) Except as provided in subsection (D) below and, if required by Section 4 below, upon a determination pursuant to Section 4 in the specific case that such indemnification is permissible in the circumstances under this subsection because the individual has met the standard of conduct set forth in this subsection (A), the Corporation shall indemnify an individual who is made a party to a proceeding because he is or was a director or Officer against liability incurred by him in the proceeding if he conducted himself in good faith and, in the case of conduct in his official capacity, he reasonably believed such conduct was in the best interest of the Corporation, or in all other cases, he reasonably believed such conduct was at least not opposed to the best interests of the Corporation and, in the case of any criminal proceeding, he had no reasonable cause to believe his conduct was unlawful.

(B) A person's conduct with respect to an employee benefit plan for a purpose he believes in good faith to be in the interests of the participants in and beneficiaries of the plan is conduct that satisfies the requirement of subsection 2(A) above.

(C) The termination of a proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the proposed indemnitee did not meet the standard of conduct set forth in subsection 2(A) above.

(D) The Corporation shall not indemnify a person under this Article in connection with: (i) a proceeding by or in the right of the Corporation, except for reasonable expenses incurred in connection with the proceeding if it is determined

that such person has met the relevant standard of conduct under this section; or (ii) with respect to conduct for which such person was adjudged liable on the basis that personal benefit was improperly received by him, whether or not involving action in his official capacity.

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Section 3. *Advances for Expenses.*

(A) The Corporation may advance funds to pay for or reimburse the reasonable expenses incurred by a director or Officer who is a party to a proceeding because he is a director or Officer in advance of final disposition of the proceeding if: (i) such person furnishes the Corporation a written affirmation of his good faith belief that he has met the relevant standard of conduct set forth in subsection 2(A) above or that the proceeding involves conduct for which liability has been eliminated under the Corporation's Articles of Incorporation; and (ii) such person furnishes the Corporation a written undertaking meeting the qualifications set forth below in subsection 3(B), executed personally or on his behalf, to repay any funds advanced if it is ultimately determined that he is not entitled to any indemnification under this Article or otherwise.

(B) The undertaking required by subsection 3(A)(ii) above must be an unlimited general obligation of the director or Officer but need not be secured and shall be accepted without reference to financial ability to make repayment.

(C) Authorizations under this Section shall be made: (i) by the Board of Directors: (a) when there are two or more disinterested directors, by a majority vote of all disinterested directors (a majority of whom shall for such purpose constitute a quorum) or by a majority of the members of a committee of two or more disinterested directors appointed by such a vote; or (b) when there are fewer than two disinterested directors, by a majority of the directors present, in which authorization directors who do not qualify as disinterested directors may participate; or (ii) by the shareholders, but shares owned or voted under the control of a director who at the time does not qualify as a disinterested director with respect to the proceeding may not be voted on the authorization.

section 4. *Authorization of and Determination of Entitlement to Indemnification.*

(A) The Corporation shall not indemnify a director or Officer under Section 2 above unless authorized thereunder and a determination has been made for a specific proceeding that indemnification of such person is permissible in the circumstances because he has met the relevant standard of conduct set forth in subsection 2(A) above; provided, however, that regardless of the result or absence of any such determination, to the extent that a director or Officer has been wholly successful, on the merits or otherwise, in the defense of any proceeding to which he was a party because he is or was a director or Officer, the Corporation shall indemnify such person against reasonable expenses incurred by him in connection therewith.

(B) The determination referred to in subsection 4(A) above shall be made:

(i) If there are two or more disinterested directors, by the board of directors by a majority vote of all the disinterested directors (a majority of whom shall for such purpose constitute a quorum) or by a majority of the members of a committee of two or more disinterested directors appointed by such a vote;

(ii) by special legal counsel:

(1) selected by the Board of Directors or its committee in the manner prescribed in subdivision (i); or

(2) If there are fewer than two disinterested directors, selected by the Board of Directors (in which selection directors who do not qualify as disinterested directors may participate); or

(iii) by the shareholders; but shares owned by or voted under the control of a director who at the time does not qualify as a disinterested director may not be voted on the determination.

(C) Authorization of indemnification or an obligation to indemnify and evaluation as to reasonableness of expenses of a director or Officer in the specific case shall be made in the same manner as the determination that indemnification is permissible, as described in subsection 4(B) above, except that if there are fewer than two disinterested directors or if the determination is made by special legal counsel, authorization of indemnification and evaluation as to reasonableness of expenses shall be made by those entitled under subsection 4(B)(ii)(2) above to select counsel.

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(D) The Board of Directors, a committee thereof, or special legal counsel acting pursuant to subsection (B) above or Section 5 below, shall act expeditiously upon an application for indemnification or advances, and cooperate in the procedural steps required to obtain a judicial determination under Section 5 below.

(E) The Corporation may, by a provision in its Articles of Incorporation or Bylaws or in a resolution adopted or a contract approved by its Board of Directors or shareholders, obligate itself in advance of the act or omission giving rise to a proceeding to provide indemnification or advance funds to pay for or reimburse expenses consistent with this part. Any such obligatory provision shall be deemed to satisfy the requirements for authorization referred to in Section 3(C) or Section 4(C).

Section 5. Court-Ordered Indemnification and Advances for Expenses.

A director or Officer who is a party to a proceeding because he is a director or Officer may apply for indemnification or advances for expenses to the court conducting the proceeding or to another court of competent jurisdiction. After receipt of an application and after giving any notice it considers necessary, the court shall order indemnification or advances for expenses if it determines that:

(i) The director is entitled to indemnification or advances of expenses under this part; or

(ii) In view of all the relevant circumstances, it is fair and reasonable to indemnify the director or Officer or to advance expenses to the director or Officer, even if the director or Officer has not met the relevant standard of conduct set forth in subsection 2(A) above, failed to comply with Section 3, or was adjudged liable in a proceeding referred to in subsections (i) or (ii) of Section 2(D), but if the director or Officer was adjudged so liable, the indemnification shall be limited to reasonable expenses incurred in connection with the proceeding, unless the Articles of Incorporation of the Corporation or a Bylaw, contract or resolution approved or ratified by shareholders pursuant to Section 7 below provides otherwise.

If the court determines that the director or Officer is entitled to indemnification or advance for expenses, it may also order the Corporation to pay the director's or Officer's reasonable expenses to obtain court-ordered indemnification or advance for expenses. The court may summarily determine, without a jury, the Corporation's obligation to advance expense.

Section 6. Indemnification of Officers and Employees.

(A) Unless the Corporation's Articles of Incorporation provide otherwise, the Corporation shall indemnify and advance expenses under this Article to an employee of the Corporation who is not a director or Officer to the same extent, consistent with public policy, as to a director or Officer.

(B) The Corporation may indemnify and advance expenses under this Article to an Officer of the Corporation who is a party to a proceeding because he is an Officer of the Corporation: (i) to the same extent as a director; and (ii) if he is not a director, to such further extent as may be provided by the Articles of Incorporation, the Bylaws, a resolution of the Board of Directors, or contract except for liability arising out of conduct that is enumerated in subsections (A)(i) through (A)(iv) of Section 7.

The provisions of this Section shall also apply to an Officer who is also a director if the sole basis on which he is made a party to the proceeding is an act or omission solely as an Officer.

Section 7. Shareholder Approved Indemnification.

(A) If authorized by the Articles of Incorporation or a Bylaw, contract or resolution approved or ratified by shareholders of the Corporation by a majority of the votes entitled to be cast, the Corporation may indemnify or obligate itself to indemnify a person made a party to a proceeding, including a proceeding brought by or in the right of the Corporation, without regard to the limitations in other sections of this Article, but shares owned or voted under the control of a director who at the time does not qualify as a disinterested director with respect to any existing or threatened proceeding that would be covered by the authorization may not be voted on the authorization. The Corporation shall not indemnify a person under this Section 7 for any

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liability incurred in a proceeding in which the person is adjudged liable to the Corporation or is subjected to injunctive relief in favor of the Corporation:

- (i) for any appropriation, in violation of his duties, of any business opportunity of the Corporation;
- (ii) for acts or omissions which involve intentional misconduct or a knowing violation of law;
- (iii) for the types of liability set forth in Section 14-2-832 of the Georgia Business Corporation Code; or
- (iv) for any transaction from which he received an improper personal benefit.

(B) Where approved or authorized in the manner described in subsection 7(A) above, the Corporation may advance or reimburse expenses incurred in advance of final disposition of the proceeding only if:

- (i) the proposed indemnitee furnishes the Corporation a written affirmation of his good faith belief that his conduct does not constitute behavior of the kind described in subsection 7(A)(i) (iv) above; and
- (ii) the proposed indemnitee furnishes the Corporation a written undertaking, executed personally, or on his behalf, to repay any advances if it is ultimately determined that he is not entitled to indemnification.

Section 8. *Liability Insurance.*

The Corporation may purchase and maintain insurance on behalf of an individual who is a director, officer, employee, or agent of the Corporation or who, while a director, officer, employee, or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other entity against liability asserted against or incurred by him in that capacity or arising from his status as a director, officer, employee, or agent, whether or not the Corporation would have power to indemnify him against the same liability under Section 2 or Section 3 above.

Section 9. *Witness Fees.*

Nothing in this Article shall limit the Corporation's power to pay or reimburse expenses incurred by a person in connection with his appearance as a witness in a proceeding at a time when he is not a party.

Section 10. *Report to Shareholders.*

If the Corporation indemnifies or advances expenses to a director in connection with a proceeding by or in the right of the Corporation, the Corporation shall report the indemnification or advance, in writing, to shareholders with or before the notice of the next shareholders' meeting.

Section 11. *Severability.*

In the event that any of the provisions of this Article (including any provision within a single section, subsection, division or sentence) is held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, the remaining provisions of this Article shall remain enforceable to the fullest extent permitted by law.

Section 12. *Indemnification Not Exclusive.*

The rights of indemnification provided in this Article VII shall be in addition to any rights which any such director, Officer, employee or other person may otherwise be entitled by contract or as a matter of law.

Section 13. *Amendments to Georgia Business Corporation Code.*

In the event that, following the date of these Bylaws, the Georgia Business Corporation Code is amended to expand the indemnification protections that a Georgia corporation is permitted to provide to its directors, Officers and/or Employees, as applicable, the indemnification protections set forth in this Article VII shall be automatically amended, without any further action by the Board of Directors, the shareholders of the

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Corporation or the Corporation, to provide the same indemnification protections to the fullest extent provided by such amendments to the Georgia Business Corporation Code.

Item 21. Exhibits and Financial Statement Schedules

(a) Exhibits.

Exhibit	Description
2.1	Agreement and Plan of Merger, dated as of November 2, 2007, by and between SunTrust Banks, Inc. and GB&T Bancshares, Inc., included as Appendix A to the Proxy Statement/ Prospectus forming a part of this Registration Statement and incorporated in this document by reference. Certain exhibits have been omitted from the Agreement as filed with the SEC. The omitted information is not considered material from an investor's perspective. The Registrant will furnish to the SEC supplementally a copy of any omitted exhibit upon request from the SEC.
3.1	Amended and Restated Articles of Incorporation of the Registrant effective November 14, 1989, as amended effective as of April 24, 1998 (incorporated by reference to Exhibit 3.1 of the Registrant's Annual Report on Form 10-K filed March 26, 1999), as amended effective April 18, 2000 (incorporated by reference to Exhibit 3.1 to the Registrant's Quarterly Report on Form 10-Q filed May 15, 2000), as amended September 6, 2006 (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed September 12, 2006), as amended October 23, 2006 (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-A filed October 24, 2006), and as amended effective April 17, 2007 (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed April 17, 2007).
3.2	Bylaws of the Registrant, as amended effective November 13, 2007 (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed November 14, 2007).
5.1	Opinion of Raymond D. Fortin as to the validity of securities being registered.
8.1	Opinion of King & Spalding LLP as to certain tax matters.
8.2	Opinion of Troutman Sanders LLP as to certain tax matters.
23.1	Consent of Raymond D. Fortin (included in Exhibit 5.1 hereto).
23.2	Consent of King & Spalding LLP (included in Exhibit 8.1 hereto).
23.3	Consent of Troutman Sanders LLP (included in Exhibit 8.2 hereto).
23.4	Consent of PricewaterhouseCoopers LLP.
23.5	Consent of Mauldin & Jenkins, LLC.
23.6	Consent of Ernst & Young LLP.
24.1	Powers of Attorney.*
99.1	Consent of Keefe, Bruyette & Woods, Inc.
99.2	Form of GB&T Proxy Card.

* Previously filed.

(b) Financial Statement Schedules. Not applicable.

(c) Reports, Opinions or Appraisals. Opinion of Keefe, Bruyette & Woods, Inc. (included as Appendix B to the proxy statement/prospectus which is a part of this registration statement).

Item 22. Undertakings

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The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act that is incorporated by reference in this registration statement shall be deemed to be a new registration statement relating to the securities offered in this document, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The undersigned registrant hereby undertakes as follows: that prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of this registration statement, by

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any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the issuer undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other items of the applicable form.

The registrant undertakes that every prospectus (1) that is filed pursuant to the paragraph immediately preceding, or (2) that purports to meet the requirements of Section 10(a)(3) of the Securities Act and is used in connection with an offering of securities subject to Rule 415 of the Securities Act, will be filed as a part of an amendment to the registration statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The registrant hereby undertakes to respond to requests for information that is incorporated by reference into the proxy statement/prospectus which forms a part of this registration statement pursuant to Items 4, 10(b), 11, or 13 of this registration statement, within one business day of receipt of such request, and to send the incorporated documents by first-class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of this registration statement through the date of responding to the request.

The registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in this registration statement when it became effective.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, SunTrust Banks, Inc. has duly caused this amendment no. 1 to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Atlanta, State of Georgia, March 11, 2008.

SUNTRUST BANKS, INC.

By: /s/ James M. Wells III

James M. Wells III
President and Chief Executive
Officer

Pursuant to the requirements of the Securities Act of 1933, this amendment no. 1 to the registration statement has been signed by the following persons in the capacities indicated below, on this 11th day of March, 2008.

Signatures	Title
*	President, Chief Executive Officer and Director
James M. Wells III	
*	Corporate Executive Vice President and Chief Financial Officer
Mark A. Chancy	
*	Senior Vice President, Controller and Chief Accounting Officer
Thomas E. Panther	
*	Executive Chairman and Director
L. Phillip Humann	
*	Director
Robert M. Beall, II	
*	Director
J. Hyatt Brown	
*	Director
Alston D. Correll	
*	Director

Jeffrey C. Crowe

* Director

Thomas C. Farnsworth, Jr.

Director

Patricia C. Frist

* Director

Blake P. Garrett, Jr.

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Signatures	Title
*	Director
David H. Hughes	
*	Director
E. Neville Isdell	
*	Director
M. Douglas Ivester	
*	Director
J. Hicks Lanier	
*	Director
G. Gilmer Minor, III	
*	Director
Larry L. Prince	
*	Director
Frank S. Royal, M.D.	
*	Director
Karen Hastie Williams	
	Director
Dr. Phail Wynn, Jr.	

* By:
/s/ Raymond D. Fortin
Attorney-in-Fact

Table of Contents**LIST OF EXHIBITS**

Exhibit	Description
2.1	Agreement and Plan of Merger, dated as of November 2, 2007, by and between SunTrust Banks, Inc. and GB&T Bancshares, Inc., included as Appendix A to the Proxy Statement/ Prospectus forming a part of this Registration Statement and incorporated in this document by reference. Certain exhibits have been omitted from the Agreement as filed with the SEC. The omitted information is not considered material from an investor's perspective. The Registrant will furnish to the SEC supplementally a copy of any omitted exhibit upon request from the SEC.
3.1	Amended and Restated Articles of Incorporation of the Registrant effective November 14, 1989, as amended effective as of April 24, 1998 (incorporated by reference to Exhibit 3.1 of the Registrant's Annual Report on Form 10-K filed March 26, 1999), as amended effective April 18, 2000 (incorporated by reference to Exhibit 3.1 to the Registrant's Quarterly Report on Form 10-Q filed May 15, 2000), as amended September 6, 2006 (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed September 12, 2006), as amended October 23, 2006 (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-A filed October 24, 2006), and as amended effective April 17, 2007 (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed April 17, 2007).
3.2	Bylaws of the Registrant, as amended effective November 13, 2007 (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed November 14, 2007).
5.1	Opinion of Raymond D. Fortin as to the validity of securities being registered.
8.1	Opinion of King & Spalding LLP as to certain tax matters.
8.2	Opinion of Troutman Sanders LLP as to certain tax matters.
23.1	Consent of Raymond D. Fortin (included in Exhibit 5.1 hereto).
23.2	Consent of King & Spalding LLP (included in Exhibit 8.1 hereto).
23.3	Consent of Troutman Sanders LLP (included in Exhibit 8.2 hereto).
23.4	Consent of PricewaterhouseCoopers LLP.
23.5	Consent of Mauldin & Jenkins, LLC.
23.6	Consent of Ernst & Young LLP.
24.1	Powers of Attorney.*
99.1	Consent of Keefe, Bruyette & Woods, Inc.
99.2	Form of GB&T Proxy Card.

* Previously filed.