

COMMUNITY TRUST BANCORP INC /KY/  
Form DEF 14A  
March 10, 2008

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Important Notice Regarding Availability of Proxy Materials for the  
Community Trust Bancorp, Inc. Annual Meeting of Shareholders  
to be held on April 22, 2008

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COMMUNITY TRUST BANCORP, INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD APRIL 22, 2008

The Annual Meeting of Shareholders of Community Trust Bancorp, Inc. ("CTBI") will be held at Community Trust Bank, Inc., 346 North Mayo Trail, Pikeville, Kentucky, on Tuesday, April 22, 2008 at 10:00 a.m. EDT for the following purposes:

1. To elect a Board of eight Directors to hold office until the next Annual Meeting of Shareholders and until their successors are elected and qualify.
2. To ratify and approve the appointment of BKD, LLP as CTBI's Independent Registered Public Accounting Firm for the fiscal year ending December 31, 2008.
3. To transact such other business as may properly come before the meeting or any adjournment thereof.

Only those holders of stock of record at the close of business on February 29, 2008 are entitled to notice of and to vote at the Annual Meeting and any adjournment thereof.

The Board of Directors recommends that you vote for each of the nominees for director, for the ratification and approval of the independent registered public accounting firm and grant discretion on such other business as may properly come before the meeting or any adjournment.

This year CTBI is furnishing proxy materials to our shareholders over the Internet. This Notice presents only an overview of the more complete proxy materials that are available to you on the Internet. We encourage you to access and review all of the important information contained in the proxy materials before voting. If you would like to receive a paper or e-mail copy of these documents, you must request one. There is no charge to you for requesting a paper or e-mail copy. Please make your request for a copy as instructed below on or before April 11, 2008, to facilitate timely delivery. Please note that for your convenience this year, CTBI will mail a copy of the 2007 Annual Report to Shareholders and the proxy card to you in approximately 10 days.

You may access the following proxy materials at [ww3.ics.adp.com/streetlink/ctbi](http://ww3.ics.adp.com/streetlink/ctbi):

- Notice of Annual Meeting of Shareholders
  - CTBI's Proxy Statement
- CTBI's 2007 Annual Report to Shareholders
  - Proxy Card

If you prefer a paper copy of the proxy materials, you may request one by sending an e-mail to [investorrelations@ctbi.com](mailto:investorrelations@ctbi.com), calling 1-800-422-1090 ext. 3279, or by making a request online at [ww3.ics.adp.com/streetlink/ctbi](http://ww3.ics.adp.com/streetlink/ctbi). You will also have an opportunity to request to receive paper copies for future meetings on this website.

Shareholders are cordially invited to attend the Annual Meeting of Shareholders. You may obtain directions to the meeting location by calling the toll-free number shown above. We hope you will attend the meeting and vote your shares in person.

By Order of the Board of Directors

Pikeville, Kentucky  
Date: March 12, 2008

/s/ Jean R. Hale  
Jean R. Hale  
Chairman, President, and  
CEO

IMPORTANT

WHETHER OR NOT YOU EXPECT TO BE PRESENT AT THE MEETING, PLEASE SUBMIT A PROXY. IN THE EVENT YOU ATTEND THE MEETING, YOU MAY REVOKE YOUR PROXY AND VOTE YOUR SHARES IN PERSON AT ANY TIME BEFORE YOUR PROXY IS EXERCISED.

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Community Trust Bancorp, Inc.  
346 North Mayo Trail  
Pikeville, Kentucky 41501

## PROXY STATEMENT

Annual Meeting of Shareholders  
to be held April 22, 2008

## INTRODUCTION

Proxy materials, including this Proxy Statement, a proxy card, and our 2007 Annual Report to Shareholders, are being distributed and made available on or about March 12, 2008. These proxy materials are being furnished in connection with the solicitation of proxies by the Board of Directors (“Board”) of CTBI for use at the Annual Meeting of Shareholders to be held on Tuesday, April 22, 2008, at 10:00 a.m. (EDT), at Community Trust Bank, Inc., 346 North Mayo Trail, Pikeville, Kentucky, and any adjournments thereof. This Proxy Statement contains important information for you to consider when deciding how to vote on the matters brought before the meeting.

In accordance with rules recently adopted by the U.S. Securities and Exchange Commission (“SEC”), we have elected to provide access to our proxy materials to our shareholders by providing access to such documents on the Internet. Accordingly, a Notice of Internet Availability of Proxy Materials (“Notice”) will be mailed to our shareholders of record at the close of business on February 29, 2008. Shareholders will have the ability to access the proxy materials on a website referred to in the Notice or request a printed set of the proxy materials be sent to them by following the instructions in the Notice.

The Notice also provides instructions on how to inform us to send future proxy materials to you electronically by e-mail or in printed form by mail. Your election to receive proxy materials by e-mail or printed form by mail will remain in effect until you terminate it. Choosing to receive future proxy materials by e-mail will allow us to conserve natural resources and save us the cost of printing and mailing documents to you.

The cost of solicitation of proxies will be borne by CTBI. In addition to the use of the mail, proxies may be solicited in person, by telephone and other means of communication by directors, officers, and other employees of CTBI, none of whom will receive additional compensation for such services. CTBI will also request brokerage houses, custodians, and nominees to forward soliciting materials to the beneficial owners of stock held of record by them and will pay the reasonable expenses of such persons for forwarding such materials. This Proxy Statement and the related proxy materials are first being distributed and made available to shareholders of CTBI on or about March 12, 2008.

## RECORD DATE AND VOTING SECURITIES

The Common Stock of CTBI (“Common Stock”) is the only class of outstanding voting securities. Only holders of Common Stock of record at the close of business on February 29, 2008 (the “Record Date”) are entitled to notice of and to vote at the Annual Meeting. At the Record Date, there were 14,961,336 shares of Common Stock outstanding. With respect to the election of directors, shareholders have cumulative voting rights. Accordingly, each shareholder will have the right to cast as many votes in the aggregate as equals the number of shares of Common Stock held by the shareholder multiplied by the number of directors to be elected at the Annual Meeting. Each shareholder may cast all of his or her votes for one candidate or distribute such votes among two or more candidates. Shareholders will be entitled to one vote for each share of Common Stock held of record on the Record

Date with regard to all other matters that properly come before the Annual Meeting or any adjournment thereof.

Each proxy, unless the shareholder otherwise specifies, will be voted in favor of the election of the eight nominees for director named herein and the approval of the appointment of BKD, LLP as CTBI's Independent Registered Public Accounting Firm for the fiscal year ending December 31, 2008. Where a shareholder has appropriately specified how the proxy is to be voted, it will be voted accordingly. As to any other matter which may properly be brought before the Annual Meeting or any adjournment thereof, a vote may be cast pursuant to the accompanying proxy in accordance with the judgment of the person or persons voting the proxy. A shareholder may revoke his or her proxy at any time prior to its exercise. Revocation may be effected by written notice to CTBI, by a subsequently dated proxy received by CTBI, by oral revocation in person at the Annual Meeting or any adjournment thereof, or by voting in person at the Annual Meeting or any adjournment thereof.

A majority of the outstanding shares present in person or by proxy is required to constitute a quorum to transact business at the Annual Meeting. Abstentions will be treated as present for purposes of determining a quorum, but as unvoted shares for purposes of determining the approval of any matter submitted to the shareholders for a vote. If a broker indicates that it does not have discretionary authority as to certain shares to vote on a particular matter, such shares will not be considered as present and entitled to vote with respect to such matter.

#### PRINCIPAL SHAREHOLDER

The following table sets forth information as to each shareholder known by CTBI to beneficially own more than five percent of the Common Stock as of the Record Date.

Beneficial Owners Name and Address	Amount and Nature of Beneficial Ownership	Percent of Class
Community Trust and Investment Company As Fiduciary 100 East Vine St., Suite 400 Lexington, Kentucky 40507	1,489,708 (1)	10.0%

(1) The shares indicated are held by Community Trust and Investment Company, a subsidiary of CTBI, in fiduciary capacities as trustee, executor, agent, or otherwise. Of the shares indicated, Community Trust and Investment Company has sole voting rights with respect to 1,336,213 shares and no voting rights with respect to 153,495 shares. Community Trust and Investment Company has shared investment authority with respect to 84,478 shares, sole investment authority with respect to 287,824 shares, and no authority with respect to 14,180 shares; 574,724 shares are held by CTBI's Employee Stock Ownership Plan ("ESOP") and 528,502 shares are held by the 401(k) Plan. Each participant for whom shares are maintained in his or her Plan account are entitled to direct the Trustee as to the manner in which voting rights will be exercised with respect to such shares. The Trustee shall vote in its discretion all unallocated shares and all shares for which no voting instructions are timely received.

## ELECTION OF DIRECTORS

CTBI's directors are elected at each annual meeting of shareholders and hold office until the next election of directors or until their successors are duly elected and qualify. The persons named below, all of whom currently serve as directors of CTBI, have been nominated for election to serve until the 2008 Annual Meeting of Shareholders. The following table sets forth certain information respecting the persons nominated to be directors of CTBI as of the Record Date:

Name and Age (1)	Positions And Offices	Director Since	Principal Occupation (2)	Amount and Nature of	
				Beneficial Ownership(3)	Percent of Class
Charles J. Baird; 58	Director	1987	Attorney, Baird and Baird, P.S.C.	284,536(5)	1.9%
Nick A. Cooley; 74	Director	1980	President, Unit Coal Corporation	59,644	(4)
Jean R. Hale; * 61	Chairman, President, and CEO	1993	Chairman, President, and CEO, Community Trust Bancorp, Inc.	220,941(6)	1.5%
James E. McGhee II; 50	Director	2005	President, Three JC Investments	17,129(7)	(4)
M. Lynn Parrish; 58	Director	1993	President, Marwood Land Company, Inc.	115,574(8)	(4)
Gov. Paul E. Patton; 70	Director	2004	Retired	18,434(9)	(4)
Dr. James R. Ramsey; 59	** Director	2003	President, University of Louisville	3,200	(4)
Gary G. White; 58	Director	2007	President and CEO, International Industries, Inc.	0	(4)
All directors and executive officers as a group (17 in number including the above named individuals)				1,047,164(10)	7.0%

\* Jean R. Hale is also Chairman of the Board of Directors of Community Trust Bank, Inc. and Community Trust and Investment Company.

\*\* Dr. Ramsey is also a director of Texas Roadhouse, Inc.

- (1) The ages listed are as of February 29, 2008.
- (2) Each of the nominees has been engaged in the principal occupation specified above for five years or more, except Ms. Hale, Governor Patton, Mr. McGhee, and Mr. Parrish. Ms. Hale was promoted from Vice Chairman of the Board to Chairman of the Board on December 31, 2004. Governor Patton was elected as Kentucky's 59th governor in 1995. After serving eight years as Governor, he is now retired from public office and volunteers his time as a fund-raiser at Pikeville College. Mr. McGhee sold Dyno East Kentucky dba Mountain Valley Explosives in 2006 and formed Three JC Investments. Knott Floyd Land Co., Inc. was acquired in October 2006, and Mr. Parrish resigned concurrently. Mr. Parrish has been president of Marwood Land Company, Inc. for more than ten years.
- (3) Under the rules of the Securities and Exchange Commission, a person is deemed to beneficially own a security if the person has or shares the power to vote or direct the voting of such security, or the power to dispose or to direct the disposition of such security. A person is also deemed to beneficially own any shares which that person has the right to acquire beneficial ownership within sixty days. Shares of Common Stock subject to options exercisable within sixty days are deemed outstanding for computing the percentage of class of the person holding such options but are not deemed outstanding for computing the percentage of class for any other person. Unless otherwise indicated, the named persons have sole voting and investment power with respect to shares held by them.
- (4) Less than 1 percent.
- (5) Includes 5,649 shares held as trustee under various trust agreements established by Mr. Baird's mother, Florane J. Baird, for her grandchildren, 213,705 shares held as trustee of the Bryan M. Johnson Testamentary Trust FBO Rosemary Dean, 58,000 shares held as trustee of the Carolyn A. Baird Family Trust, and 182 shares held by Mr. Baird's wife, over which Mr. Baird has no voting or investment power.
- (6) Includes 89,164 shares which Ms. Hale may acquire pursuant to options exercisable within sixty days of the Record Date and 11,660 shares held in the ESOP and 40,582 shares held in the 401(k) Plan which Ms. Hale has the power to vote.
- (7) Includes 100 shares held by Mr. McGhee's son, over which Mr. McGhee has no voting or investment power.
- (8) Includes 107,063 shares beneficially owned by Mr. Parrish held in MLP Limited Partnership over which Mr. Parrish has sole voting and investment power and 1,060 shares held by his spouse, Jessica J. Parrish, as custodian for Jesse Marvin Parrish KY UGMA, over which Mr. Parrish has no voting or investment power.
- (9) Includes 9,961 shares held by Governor Patton's wife, over which Governor Patton has no voting or investment power.
- (10) Includes 341,866 shares which may be acquired by all directors and executive officers as a group pursuant to options exercisable within sixty days of the Record Date.

Unless authority to do so is withheld, it is the intention of the persons named in the proxy to vote for the election of each of the nominees listed above. All nominees have indicated a willingness to serve and CTBI does not anticipate that any of the above nominees will decline or be unable to serve if elected as a director. However, in the event that one or more of such nominees is unable, unwilling or unavailable to serve, the persons named in the proxy shall have authority, according to their judgment, to vote for such substitute nominees as they, after consultation with CTBI's Board of Directors, shall determine. If considered desirable, cumulative voting will be exercised by the persons named in the proxy to elect as many of such nominees as possible.

The Nominating and Corporate Governance Committee assists the Board in identifying qualified persons to serve as directors of CTBI. The Committee will evaluate proposed director nominees, including incumbent directors prior to recommending renomination. The Nominating and Corporate Governance Committee selects as candidates for nomination individuals of high personal and professional integrity and ability who can contribute to the Board's collective effectiveness in serving the interests of CTBI's shareholders.

The Nominating and Corporate Governance Committee will consider candidates nominated by shareholders. The Nominating and Corporate Governance Committee will evaluate candidates recommended by shareholders on the same basis as it evaluates any other properly recommended nominee. Shareholders who desire to recommend a candidate for election at the next annual meeting of stockholders should submit the name of the candidate and information concerning the qualifications of the candidate by mail to the Nominating and Corporate Governance Committee at CTBI's address on or before December 31, 2008.

The following persons are executive officers of Community Trust Bancorp, Inc. as of the Record Date. They are not nominated to serve as directors. Their security ownership as of the Record Date is as follows:

Name	Position	Amount and Nature of Beneficial Ownership	Percent of Class
James B. Draughn	Executive Vice President	20,422(2)	(1)
James J. Gartner	Executive Vice President	37,924(3)	(1)
Mark A. Gooch	Executive Vice President and Secretary	84,180(4)	(1)
Larry W. Jones	Executive Vice President	33,143(5)	(1)
Tracy E. Little	Executive Vice President	9,830(6)	(1)
Richard W. Newsom	Executive Vice President	50,888(7)	(1)
Ricky D. Sparkman	Executive Vice President	41,282(8)	(1)
Kevin J. Stumbo	Executive Vice President and Treasurer	34,939(9)	(1)
Michael S. Wasson	Executive Vice President	15,098(10)	(1)

(1) Less than 1 percent.

(2) Includes 7,846 shares which Mr. Draughn may acquire pursuant to options exercisable within sixty days of the Record Date and 4,020 shares held in the ESOP and 4,249 shares held in the 401(k) Plan which Mr. Draughn has the power to vote.

- (3) Includes 35,570 shares which Mr. Gartner may acquire pursuant to options exercisable within sixty days of the Record Date and 952 shares held in the ESOP and 549 shares held in the 401(k) Plan which Mr. Gartner has the power to vote.
- (4) Includes 67,133 shares which Mr. Gooch may acquire pursuant to options exercisable within sixty days of the Record Date and 7,306 shares held in the ESOP and 8,138 shares held in the 401(k) Plan which Mr. Gooch has the power to vote.
- (5) Includes 31,362 shares which Mr. Jones may acquire pursuant to options exercisable within sixty days of the Record Date and 566 shares held in the ESOP which Mr. Jones has the power to vote.
- (6) Includes 7,350 shares which Mr. Little may acquire pursuant to options exercisable within sixty days of the Record Date and 806 shares held in the ESOP and 212 shares held in the 401(k) Plan which Mr. Little has the power to vote.
- (7) Includes 37,247 shares which Mr. Newsom may acquire pursuant to options exercisable within sixty days of the Record Date and 5,162 shares held in the ESOP and 7,627 shares held in the 401(k) Plan which Mr. Newsom has the power to vote.
- (8) Includes 35,293 shares which Mr. Sparkman may acquire pursuant to options exercisable within sixty days of the Record Date and 2,605 shares held in the ESOP and 2,532 shares held in the 401(k) Plan which Mr. Sparkman has the power to vote.