
OFFICIAL NOTICE

2017 ANNUAL STOCKHOLDERS' MEETING



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Serving 17 Counties in The Heart of Kentucky

Anderson • Bourbon • Boyle • Clark • Fayette • Franklin • Garrard • Harrison • Jessamine
Lincoln • Madison • Marion • Mercer • Montgomery • Scott • Washington • Woodford

ANNUAL MEETING INFORMATION STATEMENT

The Board of Directors has scheduled two sectional meetings for your convenience as follows:

Danville, KY
Monday, February 27, 2017
6:00 p.m.
Boyle County Extension Office
99 Corporate Drive
(Behind Bluegrass Community and
Technical College — Danville Campus)

Lexington, KY
Tuesday, February 28, 2017
6:00 p.m.
Fayette County Extension Office
1140 Harry Sykes Way
(same location off Red Mile Road)

The registration will begin at 5:30 p.m. and the buffet line will open at 6:00 p.m. Dinner will be followed by a business meeting which will include the election of one director, election of the 2018 Nominating Committee, directors' report, financial report, remarks about the current position of your Association and other business properly presented for consideration.

You and your spouse or guest are invited to attend. Please return the enclosed reservation card by Friday, February 17, 2017, so we may make the necessary arrangements for the meal.

The Annual Meeting Information Statement, which includes the Report of the Nominating Committee, is enclosed. The 2016 Third Quarter Report is available at any office location. The 2016 Annual Report will be mailed on or before March 28, 2017. We look forward to seeing you at the Annual Meeting.

In accordance with Farm Credit Administration (FCA) regulations 620.21, the following information must be provided to stockholders:

REPORT OF NOMINATING COMMITTEE

The Nominating Committee of the Central Kentucky Agricultural Credit Association composed of Bennie Gilbert, Joyce T. Pasley, John Sparks, Jason Whitehouse and David Lee Williams met January 17th, 2017 in the conference room of the Administrative Office of Central Kentucky Agricultural Credit Association, Lexington, Kentucky, to consider eligible Class C stockholders as nominees for director positions. Also present was James W. Caldwell, President and Chief Executive Officer who reviewed with the Nominating Committee the Association Bylaws concerning the number and qualifications of Directors and Association standards of conduct for Directors, including Nepotism.

Let the minutes reflect that the Committee went into executive session and the President nor any Association employee was present when the Nominating Committee deliberated to select nominees.

The Committee selected Jason Whitehouse to serve as Chairperson and Bennie Gilbert to serve as Secretary.

Names from the available Class C stockholders listing were considered for the Director position and the following persons were nominated for Position I, with their names to be placed on the ballot in alphabetical order (by last name):

POSITION I
Lee Hood
Donald T. Mitchell
Tim White

The Nominating Committee also nominated the following persons to be voted on as a Nominating Committee for 2018 with their names to be placed on the ballot in alphabetical order (by last name):

Harvey Jared Ayres
Jordan Hutchison

James C. Costigan
Patricia Peavler
Andrew Wright

Dr. Leo Gayheart
John R. Penn

The five candidates who receive the most votes are elected as members of the Nominating Committee and the remaining candidates are elected as alternates. Further nominations may be made from the floor, at the first session only, of the Annual Meeting to be held in Danville, Kentucky on February 27, 2017.

ANNUAL MEETING INFORMATION STATEMENT

DIRECTOR POSITION I — Position I is a four year term

Lee Hood, 506 N. Doctor Street, Springfield, Kentucky, Washington County

Ms. Hood leases 68 acres on her grandmother's farm in Washington County. She operates a commercial cow/calf operation consisting of 30 head. Ms. Hood grew up on her family's farm, and today is a part-time farmer. Ms. Hood works full-time as the Chief Financial Officer for Clements Ag Supply Inc., a large agribusiness in Springfield. Ms. Hood also partners with JP Blandford and they own 100 acres and lease 750 acres in Washington County. Together with their five children they operate as one farm family unit and run 172 commercial cows and 300 head of feeder cattle each year.

Ms. Hood is the Chairman of Washington County Phase One, Treasurer of the St. Dominic Catholic School PTO and is a graduate of the Kentucky Cattlemen's Association Leadership Program. Ms. Hood is also the past President of the Washington County Cattlemen's Association. In her spare time she assists local Washington County farmers with bookkeeping.

Ms. Hood is 34 years old. She is a graduate of the University of Kentucky with a bachelor's degree in Accounting. Ms. Hood and her children are members of the St. Dominic Catholic Church in Springfield.

Donald T. Mitchell, 1888 Weisenberger Mill Road, Midway, Kentucky, Woodford County

Mr. Mitchell operates 300 acres of family owned property and leases 185 acres in Woodford County. Mr. Mitchell partners with his two nephews and their farming operation consists of 325 head of stocker cattle and 220,000 lbs. of burley tobacco. They also produce 100 acres of hay for personal and retail use.

He is a past President and current board member of the Council of Burley Tobacco, and the Woodford County Farm Bureau. Mr. Mitchell is the former Chairman and current member of the Woodford County Conservation District, a member of the Woodford County Extension Advisory Committee and serves on the Board of the Burley Tobacco Growers Cooperative. He is also the past President of the Kentucky Young Farmers Association and a graduate of the Phillip Morris/University of Kentucky Ag Leadership program.

Mr. Mitchell is 54 years old. He is a graduate of Woodford County High School. Mr. Mitchell and his wife Kelly have one son and are members of the Forks of Elkhorn Baptist Church.

Tim White, 3664 Military Pike, Lexington, Kentucky, Jessamine County

Mr. White and his wife Amy own 350 acres and lease 2,150 acres in Jessamine and Fayette Counties. Mr. White and Amy own T A White Farm LLC, a beef cattle farm. Mr. White is a full-time farmer and his primary enterprise is cattle. They have a purebred Angus herd of 125 head and 375 cows and/or heifers in their commercial cow/calf herd. The Whites also run 700 stockers on an annual basis and host an annual Angus bull sale. Mr. White also raises 50 acres of corn.

Currently, Mr. White serves as a Regional Vice President for the National Cattlemen's Beef Association, Vice President of the Kentucky Cattlemen's Association and a member of the Fayette County Ag Development Board.

Mr. White is 50 years old. He is a graduate of Eastern Kentucky University with a bachelor's degree in livestock management. Mr. White and his wife Amy have two children and attend Lexington First Assembly of God, where Mr. White is a deacon.

ANNUAL MEETING INFORMATION STATEMENT

1. A. The 2017 Annual Stockholders Meeting of Central Kentucky Agricultural Credit Association (the Association) will be held in two sectional meetings as follows:

Danville, KY:

Monday night, February 27, 2017, 6:00 p.m.
Boyle County Extension Office
99 Corporate Drive

Lexington, KY:

Tuesday night, February 28, 2017, 6:00 p.m.
Fayette County Extension Office
1140 Harry Sykes Way

- B. Each voting stockholder shall be entitled to only one vote regardless of the number of single loans, joint loans or legal entity loans the stockholder may have with the Association.
2. As of December 31, 2016, there were 2,644 eligible voting stockholders. All voting stockholders as of February 27, 2017 will be eligible to vote upon the candidates for director positions and candidates for the 2018 Nominating Committee as referenced in the Nominating Committee Report.
3. The Report of the Nominating Committee is hereby incorporated by reference.
4. Dr. Lionel Williamson attended fewer than 75 percent of the total of Association Board meetings or any Board committee meetings on which he served during the last fiscal year.
5. The following are the present members of the Association Board of Directors:
- James Alvin Lyons**
Age 59, serving a four year term expiring in 2020. Mr. Lyons was first elected to the Board in 2001. Mr. Lyons raises tobacco, corn, alfalfa, stocker cattle and has a cow/calf operation.
- James C. Rankin III**
Age 60, serving a four year term expiring in 2020. Mr. Rankin was first elected to the board in 2012. Mr. Rankin raises soybeans, wheat and alfalfa and has a cow/calf operation. Mr. Rankin raises, boards, trains and races thoroughbred horses.
- Jerry Rankin**
Age 75, serving a four year term expiring in 2017. Mr. Rankin was first elected to the Board in 1996. Mr. Rankin raises tobacco, corn, alfalfa, stocker cattle and has a cow/calf operation.
- James L. May**
Age 67, serving a four year term expiring in 2019. Mr. May was first elected to the board in 1990. Mr. May raises corn, beans, wheat and stocker cattle.
- Joe Myers**
Age 53, serving a four year term expiring in 2018. Mr. Myers was first elected to the Board in 2014. Mr. Myers raises purebred Angus cattle.
- Mary Lynn Hinkel**
Age 59, elected by Board of Directors as the Director at Large in 2014, pursuant to the Agricultural Credit Act of 1987. Mrs. Hinkel's term will expire in 2020.
- Dr. Lionel Williamson**
Age 73, elected by Board of Directors as a Director at Large in 2005. Dr. Williamson's term will expire in 2017.
6. No director has resigned or declined to stand for re-election during the last fiscal year due to a policy disagreement with the Board.
7. The Employee and Director loans of the Association are regulated by the Standards of Conduct - Employee Policy and Standards of Conduct - Director Policy respectively, as adopted by the Association Board of Directors and last revised on January 1, 2016 and December 15, 2011, respectively.

ANNUAL MEETING INFORMATION STATEMENT

8. The Association has had loans outstanding during the last full fiscal year to date to its senior officers, directors, and nominees for directors that;
 - A. Were made in the ordinary course of business; and
 - B. Were made on the same terms, including interest rate, amortization schedule and collateral, as those prevailing, at the time for comparable transactions with other persons; and
 - C. Did not involve more than the normal risk of collectability.
9. No director, senior officer or nominee for director of the Association during the last five (5) years;
 - A. Filed a petition under the federal bankruptcy laws or any state insolvency law was filed by or against, or a receiver, fiscal agent, or similar officer was appointed by a court for the business or property of such person, or any partnership in which such person was a general partner at or within 2 years before the time of such filing, or any corporation or business association of which such person was a senior officer at or within 2 years before the time of such filing;
 - B. Been convicted in a criminal proceeding or is a named party in a pending criminal proceeding;
 - C. Been the subject of any order, judgment, or decree which suspended permanently or temporarily, their engagement in any type of business practice.
10. Nominees for Director may come from any county, except a county where an active director lives, whose term is not expiring. Nominations can be made from the floor, but may only be made at the first session of the Annual Stockholders Meeting.

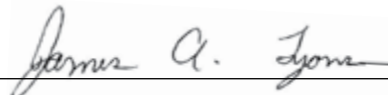
In the case of a tie vote between two candidates for a director position, the tie shall be broken by a flip of a coin administered by the Tellers Committee.

Nominees for the 2018 Nominating Committee shall include at least one candidate from each branch office. The five candidates who receive the most votes are elected as members of the Nominating Committee and the remaining candidates are elected as alternates. In the case of a tie vote between the fifth and sixth candidates, the tie shall be broken by a flip of a coin.

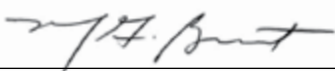
Any nominee from the floor will require disclosure in accordance with FCA regulations 620.21 which requires compliance with FCA regulations 620.6(e) and (f) in writing at the first sectional meeting of the Annual Stockholders Meeting, if sectional meetings are held. Copies of these FCA regulations can be obtained at the Association's Administrative Office upon request.
11. By regulation, the Association must remain impartial and can neither endorse nor oppose any candidate.
12. The 2016 Third Quarter Report, ending September 30, 2016 should be used as supplemental information to the 2015 Annual Report provided to the Stockholders. The 2016 Annual Report will be mailed to the Stockholders on or before March 28, 2017.
13. We, the undersigned, certify that this statement has been prepared in accordance with the applicable statutory and regulatory requirements and the information contained herein is true, correct, and complete to the best of our knowledge and belief.



James W. Caldwell
President and Chief
Executive Officer



James A. Lyons
Chairman
Board of Directors



Marcus G. Barnett
Chief Financial Officer

February 9, 2017