

ATLANTIC TELE NETWORK INC /DE  
Form DEF 14A  
April 22, 2014

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 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 under §240.14a-12

**Atlantic Tele-Network, Inc.**

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(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
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- (4) Proposed maximum aggregate value of transaction:
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      - (1) Amount Previously Paid:
      - (2) Form, Schedule or Registration Statement No.:
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**ATLANTIC TELE-NETWORK, INC.  
600 Cummings Center  
Beverly, MA 01915**

**NOTICE OF 2014 ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD JUNE 17, 2014**

April 22, 2014

Dear Stockholder:

You are cordially invited to attend our Annual Meeting of Stockholders to be held at the Wylie Inn and Conference Center at 295 Hale Street, Beverly, MA 01915 on Tuesday, June 17, 2014 at 10:00 a.m. ET, for the following purposes:

1. To approve, by advisory vote, the compensation of our named executive officers;
2. To elect six directors to hold office until the next annual meeting of stockholders and until their respective successors are elected and qualified;
3. To ratify the selection of PricewaterhouseCoopers LLP as our independent auditor for the fiscal year ending December 31, 2014; and
4. To transact any other business that may properly come before the Annual Meeting or any adjournments or postponements thereof.

Stockholders of record at the close of business on April 21, 2014 are entitled to notice of, and to vote at, the Annual Meeting. During the ten days prior to the Annual Meeting, a list of such stockholders will be available for inspection during our ordinary business hours at our office at the address above.

Whether or not you expect to attend the meeting, please complete, date and sign the enclosed proxy card and mail it promptly in the enclosed postage prepaid envelope to ensure that your shares are represented at the Annual Meeting. If you attend the meeting and vote in person, your proxy will not be used.

By order of the Board of Directors,

Leonard Q. Slap  
*Secretary*

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**ATLANTIC TELE-NETWORK, INC.  
600 Cummings Center  
Beverly, MA 01915**

**PROXY STATEMENT  
FOR THE 2014 ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON JUNE 17, 2014**

**GENERAL INFORMATION ABOUT VOTING**

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of Atlantic Tele-Network, Inc., a Delaware corporation, for use at the 2014 Annual Meeting of Stockholders to be held on June 17, 2014, at 10:00 am ET, or any adjournments or postponements thereof.

We are mailing this proxy statement together with our Annual Report to Stockholders, our Annual Report on Form 10-K for the year ended December 31, 2013 (excluding exhibits) and a proxy card or voting instruction for the Annual Meeting to our stockholders on or about April 25, 2014.

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held on June 17, 2014:** This Proxy Statement, our 2013 Annual Report to Stockholders and our 2013 Annual Report on Form 10-K are available at <http://ir.atni.com/financials.cfm>.

**Who Can Vote**

Only stockholders of record at the close of business on April 21, 2014 are entitled to vote at the Annual Meeting. On that date, 15,908,065 shares of common stock, par value \$.01 per share, were outstanding, each share entitled to one vote. If your shares are registered directly in your name with our transfer agent, you are considered the stockholder of record with respect to those shares. If your shares are held in a brokerage account or by a bank or other holder of record, you are considered the beneficial owner of those shares. As a beneficial owner, you may direct your broker or other holder of record on how to vote your owned shares by following their instructions.

**Voting**

You may vote your shares held of record either by attending the meeting and voting in person or by proxy. To vote in person, you must attend the Annual Meeting and cast your vote. You do not need to register in advance to attend the Annual Meeting. If you choose to vote by proxy, you must complete, sign and date the enclosed proxy card and return it in the enclosed postage prepaid envelope. No postage is necessary if the proxy card is mailed in the United States. If you vote by mail and your proxy card is received in time for voting and not revoked, your shares will be voted at the Annual Meeting in accordance with your instructions as set forth on your signed proxy card. If no instructions are indicated, the shares represented by the proxy card will be voted by the proxy holders as follows:

**FOR** the approval of the compensation of our named executive officers;

**FOR** the election of the director nominees named herein;

**FOR** the ratification of the appointment of PricewaterhouseCoopers LLP as our independent auditor; and

In accordance with the judgment of the proxy holders named on the proxy card as to any other matter that is properly brought before the Annual Meeting, or any adjournments or postponements thereof.





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If you hold your shares through a bank, broker or other nominee, they will give you separate instructions for voting your shares and you must make arrangements with your broker, bank or other nominee in advance of the Annual Meeting to vote your shares in person.

**Quorum**

The holders of a majority of the outstanding shares of common stock entitled to vote at the Annual Meeting, whether present in person or represented by proxy, will constitute a quorum for the transaction of business at the Annual Meeting. If a quorum is not present at the Annual Meeting, the stockholders present may adjourn the Annual Meeting from time to time, without notice, other than by announcement at the meeting, until a quorum is present or represented. At any such adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the original meeting. Abstentions, votes withheld and broker non-votes will be counted for purposes of determining whether a quorum is present at the Annual Meeting.

**Votes Required**

*Proposal 1*, the election of each director nominee, requires the affirmative vote of a plurality of the shares voted at the Annual Meeting and entitled to vote on the matter.

*Proposal 2*, the approval, by advisory vote, of the compensation of our named executive officers, requires the affirmative vote of a majority of the shares present, or represented by proxy, at the Annual Meeting and entitled to vote on the matter.

*Proposal 3*, the ratification of the appointment of PricewaterhouseCoopers LLP as our independent auditor for 2014, requires the affirmative vote of a majority of the shares present, or represented by proxy, at the Annual Meeting and entitled to vote on the matter.

We will not count shares that abstain from voting ("abstentions") on a particular matter as votes in favor of such matter. Similarly, we will not count broker non-votes as votes in favor of such matter. A broker non-vote occurs when a broker cannot vote a customer's shares registered in the broker's name because the customer did not send the broker instructions on how to vote on the matter and the broker is prohibited by law or stock exchange regulations from exercising its discretionary voting authority in the particular matter. Accordingly, broker non-votes will have no effect on the outcome of voting on Proposals 1 and 2. However, abstentions will be considered to be votes present and entitled to vote on Proposals 2 and 3, and they will have the effect of a vote against those proposals. Brokers will be entitled to vote a customer's shares in their discretion on Proposal 3, so there will be no broker non-votes on that proposal. Inspectors of election appointed by our Board will tabulate votes.

**Revocability of Proxies**

A proxy may be revoked at any time before it is exercised by delivering a written revocation or a duly executed proxy card bearing a later date to Atlantic Tele-Network, Inc., Attn: Secretary, 600 Cummings Center, Beverly, MA 01915. A proxy may also be revoked by voting in person at the Annual Meeting. If you hold your shares through a bank, broker or other nominee, you must make arrangements with your broker, bank or other nominee to revoke your proxy.

**Solicitation Expenses**

We will bear all costs of solicitation of proxies. In addition to solicitations by mail, our directors, officers and regular employees, without additional remuneration, may solicit proxies by telephone, e-mail, facsimile and personal interviews. We will request brokers, banks, and other holders of record to forward proxy soliciting material to beneficial owners. We will reimburse them for their reasonable out-of-pocket expenses incurred in connection with the distribution of the proxy materials. In addition,

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we will engage Broadridge Investor Communications Solutions, Inc. to assist in the distribution of proxy materials to banks, brokers, nominees and intermediaries at an estimated cost of approximately \$14,500 for any such services, plus reasonable out-of-pocket expenses.

**Who to Contact for Additional Information**

If you have questions about how to submit your proxy, or if you need additional copies of this proxy statement or the enclosed proxy card, please contact our proxy solicitor:

Broadridge Investor Communications Solutions, Inc.  
BY INTERNET: [www.proxyvote.com](http://www.proxyvote.com)  
BY TELEPHONE: 1-800-579-1639  
BY E-MAIL: [sendmaterial@proxyvote.com](mailto:sendmaterial@proxyvote.com)

If you have questions about attending the meeting in person or require directions to the Wylie Inn and Conference Center, please contact us at the following address or telephone number:

Atlantic Tele-Network, Inc.  
Attn: Investor Relations  
600 Cummings Center  
Beverly, MA 01915  
(978) 619-1300

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The following table sets forth certain information known to us as of April 18, 2014 (unless otherwise indicated in the footnotes to this table) with respect to the shares of our common stock that were beneficially owned as of such date by:

each person (including any partnership, syndicate or other group) known to us to be the beneficial owner of more than 5% of our outstanding shares of common stock;

each of our directors and each of the nominees seeking election as director;

our principal executive officer and our principal financial officer during the fiscal year ended December 31, 2013, and the three other most highly compensated executive officers who were serving as executive officers on December 31, 2013, whom we refer to collectively as our named executive officers; and

all of our current directors and executive officers as a group.

The number of shares beneficially owned by each person listed below includes any shares that the person has a right to acquire on or before June 17, 2014 by exercising stock options or other rights to acquire shares. For each person listed below, the percentage set forth under "Percent of Class" was calculated based on 15,908,065 shares of common stock outstanding on April 18, 2014, plus any shares that person could acquire upon the exercise of any other rights exercisable on or before June 17, 2014. Except as indicated in the footnotes to this table, the persons named in the table have sole voting and investment power with respect to the shares shown as beneficially owned by them.

Beneficial Owners	Shares Beneficially Owned	
	Number	Percent of Class
<b>Directors, Director Nominees and Named Executive Officers:</b>		
Cornelius B. Prior, Jr.(1)	4,516,090	28.39%
Martin L. Budd	8,365	*
Michael T. Flynn	5,658	*
Charles J. Roesslein(2)	2,042	*
Liane J. Pelletier(3)	4,047	*
Michael T. Prior(4)	251,582	1.58%
Justin D. Benincasa(5)	131,560	*
William F. Kreisher(6)	99,175	*
Leonard Q. Slap(7)	32,222	*
Karl D. Noone(8)	13,554	*
<b>Other 5% Stockholders:</b>		
Artisan Partners Holdings LP(9)	772,820	4.86%
BlackRock, Inc.(10)	1,005,079	6.32%
Cornelius D. Prior, Jr. 2004 Grantor Retained Annuity Trust(11)	1,024,750	6.44%
FMR, LLC(12)	1,241,740	7.81%
The Vanguard Group(13)	916,341	5.76%
<b>All Current Directors and Executive Officers as a group (10 persons)</b>	<b>5,104,295</b>	<b>31.83%</b>

\*

Less than 1%.

(1)

Includes 500 shares owned by Gertrude Prior, Mr. Cornelius B. Prior, Jr.'s wife; 34,000 shares owned by the Katherine D. Prior Revocable Trust; and 8,227 shares held by Tropical Aircraft Co. Mr. C.B. Prior, Jr. disclaims beneficial ownership of the shares owned by his wife and the Katherine D. Prior Trust. His address is P.O. Box 12030, St. Thomas, U.S. Virgin Islands 00801-5030.



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Excludes 400,000 shares owned by the Prior Family Foundation, a charitable trust for which Mr. C.B. Prior, Jr.'s wife serves as trustee and 1,024,750 shares owned by the Cornelius B. Prior, Jr. 2004 Grantor Retained Annuity Trust, which is held for the benefit of Mr. C.B. Prior, Jr.'s children and for which Andrew Lane serves as trustee. Mr. Prior currently has 563,612 shares pledged as collateral for outstanding loans and 500,550 shares held in a brokerage margin account. There are currently no outstanding margin loans in this account.

- (2) All shares are owned jointly with his spouse.
- (3) Includes 582 shares of restricted stock which vest in equal annual installments on each of June 12, 2014 and 2015.
- (4) Includes 34,258 shares held by Mr. M. Prior's children as to which Mr. M. Prior disclaims beneficial ownership, and 115,949 shares owned jointly with his spouse, 52,625 shares of restricted stock (1,875 of which vest on March 15, 2015; 10,000 of which vest ratably on March 22, 2015 and 2016; 18,750 of which vest ratably on March 27, 2015, 2016, and 2017; and 22,000 of which vest ratably on March 20, 2015, 2016, 2017 and 2018) and 48,750 shares issuable on or before June 17, 2014, upon exercise of outstanding options.
- (5) Includes 20,810 shares owned by the Justin D. Benincasa Revocable Trust, for which Mr. Benincasa serves as trustee, 24,750 shares of restricted stock (1,250 of which vest on March 15, 2015; 5,000 of which vest ratably on March 22, 2015 and 2016; 9,000 of which vest ratably on March 27, 2015, 2016, and 2017; and 9,500 of which vest ratably on March 20, 2015, 2016, 2017 and 2018) and 86,000 shares issuable on or before June 17, 2014, upon exercise of outstanding options.
- (6) Includes 13,175 shares held jointly with Mr. Kreisher's spouse, 17,500 shares of restricted stock (1,000 of which vest ratably on March 22, 2015 and 2016; 10,500 of which vest ratably on March 27, 2015, 2016, and 2017; and 6,000 of which vest ratably on March 20, 2015, 2016, 2017 and 2018) and 68,500 shares issuable on or before June 17, 2014, upon exercise of outstanding options.
- (7) Includes 8,222 shares held jointly with Mr. Slap's spouse, 15,250 shares of restricted stock (1,250 of which vest on June 15, 2014; 3,000 of which vest ratably on March 22, 2015 and 2016; 6,000 of which vest ratably on March 27, 2015, 2016, and 2017; and 5,000 of which vest ratably on March 20, 2015, 2016, 2017 and 2018) and 8,750 shares issuable on or before June 17, 2014, upon exercise of outstanding options.
- (8) Includes 9,750 shares of restricted stock (1,250 of which vest on August 9, 2014; 2,500 of which vest ratably on March 22, 2015 and 2016; 3,000 of which vest ratably on March 27, 2015, 2016, and 2017; and 3,000 of which vest ratably on March 20, 2015, 2016, 2017 and 2018) and 2,000 shares issuable on or before June 17, 2014, upon exercise of outstanding options.
- (9) Based on information contained in this holder's Schedule 13G/A filed with the SEC on January 31, 2014, which states that such shares are held by affiliates of Artisan Partners Holdings LP. Artisan Partners Limited Partnership is an investment adviser registered under Section 203 of the Investment Advisers Act of 1940; Artisan Partners Holdings LP is the sole limited partner of Artisan Partners Limited Partnership; Artisan Investments GP LLC is the general partner of Artisan Partners Limited Partnership; Artisan Investment Corporation is the general partner of Artisan Partners Holdings LP; ZFIC, Inc. is the sole stockholder of Artisan Investment Corporation; Mr. Andrew Ziegler and Ms. Carlene Ziegler are the principal stockholders of ZFIC, Inc. Each entity or person listed above has shared voting power over 707,677 of the shares and shared dispositive power over all of the shares. No entity or person listed above has sole voting or dispositive power over any of the shares. The address of each person or entity listed above is 875 East Wisconsin Avenue, Suite 800; Milwaukee, WI 53202.

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- (10) Based on information contained in this holder's Schedule 13G/A filed with the SEC on January 28, 2014. The address of BlackRock, Inc. is 40 East 52nd Street; New York, NY 10022.
- (11) Based on information contained in this holder's Schedule 13G/A filed with the SEC on February 13, 2014, which states that such shares are held with Andrew Lane, as sole trustee of the Cornelius B. Prior, Jr. 2004 Grantor Retained Annuity Trust. The address of the Cornelius B. Prior, Jr. 2004 Grantor Retained Annuity Trust is c/o Andrew Lane; 9719 Estate Thomas; St. Thomas, Virgin Islands 00802.
- (12) Based on information contained in this holder's Schedule 13G/A filed with the SEC on February 14, 2014, which states that such shares are held by investment companies managed by subsidiaries of FMR LLC. According to the Schedule 13G, each of FMR LLC and Mr. Edward C. Johnson 3d, through their control of such investment companies, had sole dispositive power over all such shares and no voting power over any of such shares. The address of FMR LLC and Mr. Johnson is 82 Devonshire Street, Boston, MA 02019.
- (13) Based on information contained in this holder's Schedule 13G/A filed with the SEC on February 11, 2014. The Vanguard Group ("Vanguard") has sole voting power with respect to 14,835 shares, sole dispositive power with respect to 902,106 shares and shared dispositive power with respect to 14,235 shares. Includes 14,235 shares beneficially owned by Vanguard's wholly-owned subsidiary Vanguard Fiduciary Trust Company ("VFTC") as a result of VFTC's serving as investment manager of collective trust accounts and 600 shares beneficially owned by Vanguard's wholly-owned subsidiary Vanguard Investments Australia, Ltd. ("VIA") as a result of VIA's serving as investment manager of Australian investment offerings.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires our executive officers and directors, and persons who own more than 10% of a registered class of our equity securities, to file with the SEC reports of their initial ownership and of changes in ownership of our common stock and provide us with copies of those reports. To our knowledge, based solely on review of the copies of such forms furnished to us and written representations from our executive officers and directors, for the fiscal year ended December 31, 2013, all Section 16(a) reports applicable to our executive officers, directors and 10% stockholders were timely filed, except that on August 7, 2013, Mr. M. Prior filed a late Form 4 reporting two transactions on August 2, 2013.

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**PROPOSAL 1: ELECTION OF DIRECTORS**

Stockholders are being asked to elect the following six members to our Board of Directors to hold office until our next annual meeting of stockholders and until their respective successors are elected and qualified, subject to their earlier retirement, resignation or removal:

Cornelius B. Prior, Jr.  
Martin L. Budd  
Michael T. Flynn  
Liane J. Pelletier  
Michael T. Prior  
Charles J. Roesslein

Each nominee has consented to his or her nomination and is expected to stand for election. However, if any nominee is unable or unwilling to serve, proxies will be voted for a replacement candidate nominated by our Board. Biographical information for each of the nominees is set forth below under "Director and Nominee Experience and Qualifications."

**Vote Required**

Each director nominee must be elected by an affirmative vote of a plurality of shares voted at the Annual Meeting and entitled to vote on the election of directors. Votes withheld and broker non-votes will not be treated as votes cast and, therefore will not affect the outcome of the elections.

**Recommendation of our Board of Directors**

OUR BOARD RECOMMENDS THAT STOCKHOLDERS VOTE **FOR** THE ELECTION OF EACH OF THESE NOMINEES.

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**DIRECTOR AND NOMINEE EXPERIENCE AND QUALIFICATIONS**

Set forth below is biographical information about the nominees for director, each of whom is currently a director. All of the directors' present terms expire at the Annual Meeting.

**Cornelius B. Prior, Jr., 80**, is the Chairman of our Board of Directors. Mr. C.B. Prior, Jr. served as our Chief Executive Officer and Chairman of the Board from 1998 through December 2005, at which time he retired as Chief Executive Officer. Mr. C.B. Prior, Jr. has served as the Chairman of CANTO (the Caribbean Association of National Telecommunication Organizations) and presently is the Chairman of CCAA (Caribbean and Central American Action). He was a managing director and stockholder of Kidder, Peabody & Co. Incorporated, where he directed the Telecommunications Finance Group. A former Naval Officer and Fulbright Scholar, Mr. C.B. Prior, Jr. started his career as an attorney with Sullivan & Cromwell in New York. He is a Trustee of Holy Cross College and former member of the Visiting Committee to Harvard Law School. He resides in St. Thomas, US Virgin Islands, where he is Chairman of the Forum, a not-for-profit arts organization, and Honorary Trustee of the Antilles School. He is also a Director of the Kneissel Music School in Blue Hill, Maine. He is the father of Michael T. Prior, our President and Chief Executive Officer. Mr. C.B. Prior, Jr. earned his legal degree from the Harvard Law School.

Mr. C.B. Prior, Jr. was selected to serve as a director on our Board because of his extensive strategic involvement with the Company, including as its founder, former Chief Executive Officer and largest stockholder of the Company. Mr. C.B. Prior, Jr. has extensive knowledge of the telecommunications markets in the Caribbean, and brings valuable expertise and business judgment to the Company. For additional information regarding the Company's decision to select Mr. C.B. Prior, Jr. as a director and Chairman, please see "Corporate Governance Board Leadership Structure."

**Martin L. Budd, 73**, has been a director of ours since May 2007, and is the Chair of our Compensation Committee and a member of our Audit and Nominating Committees. He retired as a partner of the law firm of Day, Berry and Howard LLP (now Day Pitney LLP) effective December 31, 2006. Mr. Budd chaired that firm's Business Law Department and its Business Section and had particular expertise in federal securities laws, merger and acquisition transactions and strategic joint ventures. Mr. Budd is chairman of the Connecticut Appleseed Center for Law and Justice and has served on the Legal Advisory Board of the National Association of Securities Dealers. He is a member of the National Executive Committee of the Anti-Defamation League and is the former chairman, and currently serves as a member of, the Board of Trustees of the Hartford Seminary. He is also chairman of the audit committee of the University Club of New York. Mr. Budd earned his legal degree from the Harvard Law School.

Mr. Budd was selected to serve as a director on our Board because of his extensive background providing legal, regulatory and corporate governance advice to public companies.

**Michael T. Flynn, 65**, has been a director of ours since June 2010 and is a member of our Audit and Compensation Committees. He is currently a director of Airspan Networks, Inc., a provider of wireless broadband equipment and CALIX, Inc., a manufacturer of broadband equipment. Mr. Flynn has forty years of experience in the telecommunications wireline and wireless businesses, and spent ten years as an officer at Alltel Corporation prior to his retirement in 2004. He also previously served as an officer of Southwestern Bell Telephone Co. and its parent SBC Communications from 1987-1994. Mr. Flynn has previously served on the board of directors of WebEx Communications, Inc., a provider of internet collaboration services, Equity Media Holding Corporation, an owner and operator of television stations throughout the United States, iLinc Communications, Inc., a provider of SaS web collaboration and GENBAND, a worldwide leader of next generation network systems. Mr. Flynn received a Bachelor of Science degree in Industrial Engineering from Texas A&M University and attended the Dartmouth Institute and the Harvard Graduate School of Business' Advanced Management Program.



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Mr. Flynn was selected to serve as a director on our Board due to his lengthy and broad operating experience in the telecommunications industry.

**Liane J. Pelletier, 56**, has been a director of ours since June 2012, and is the Chair of our Nominating Committee. Ms. Pelletier has over twenty-five years of experience in the telecommunications industry. From October 2003 through April 2011, she served as the Chief Executive Officer and Chairman of Alaska Communications Systems and prior to that time, served as the former Senior Vice President of Corporate Strategy and Business Development for Sprint Corporation. Ms. Pelletier earned her M.S. in Management at the Sloan School of Business at the Massachusetts Institute of Technology and a B.A. in Economics, *magna cum laude*, from Wellesley College. Ms. Pelletier currently serves on the Boards of Directors of Icicle Seafoods, Inc., Washington Federal and Expeditors International, as a Trustee of the Alaska Chapter of The Nature Conservancy and as a Director of the National Association of Corporate Directors ("NACD"), Northwest Chapter. Ms. Pelletier is an NACD Board Leadership Fellow and has demonstrated her commitment to boardroom excellence by completing NACD's comprehensive program of study for corporate directors and supplements her skill sets through ongoing engagement with the director community and access to leading practices.

Ms. Pelletier was selected to serve as a director on our Board due to her expertise in the telecommunications industry and her experience in guiding and advising on business strategy.

**Michael T. Prior, 49**, has been our President and Chief Executive Officer since December 2005 and an officer of the Company since June 2003. He was elected to the Board in May 2008. Previous to joining the company, Mr. Prior was a partner with Q Advisors LLC, a Denver-based investment banking and financial advisory firm focused on the technology and telecommunications sectors. Mr. Prior began his career as a corporate attorney with Cleary Gottlieb Steen & Hamilton LP in London and New York. He received a B.A. degree from Vassar College and a J.D. degree, *summa cum laude*, from Brooklyn Law School. Mr. Prior currently serves on the Board of Directors of the Competitive Carriers Association. Michael is also an active member of the Board of Trustees of Essex County Community Foundation, an area non-profit organization which serves to promote philanthropy and support charitable activities in the community. He is the son of Cornelius B. Prior, Jr., Chairman of our Board. In 2008, Mr. M. Prior was named Entrepreneur of the Year for the New England Region by Ernst & Young LLP and One of America's Best CEOs by DeMarche Associates, Inc.

Mr. M. Prior was selected to serve as a director on our Board due to his position as Chief Executive Officer of the Company and his broad experience in many sectors of the telecommunications industry.

**Charles J. Roesslein, 65**, has been a director of ours since April 2002 and is the Chair of our Audit Committee and a member of our Compensation and Nominating Committees. He currently is the Chief Executive Officer of Austin Tele-Services Partners, LP, a telecommunications provider, and has been a director of National Instruments Corporation since July 2000. He is a retired officer of SBC Communications. Mr. Roesslein previously served as Chairman of the Board of Directors, President and Chief Executive Officer of Prodigy Communications Corporation from June of 2000 until December of 2000. He served as President and Chief Executive Officer of SBC-CATV from October 1999 until May 2000, and as President and Chief Executive Officer of SBC Technology Resources from August 1997 to October 1999.

Mr. Roesslein was selected to serve as a director on our Board due to his financial expertise, and previous and current positions held with other telecommunications companies. Mr. Roesslein is qualified as an "audit committee financial expert" under SEC guidelines.

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**PROPOSAL 2: ADVISORY VOTE ON EXECUTIVE COMPENSATION**

Our Board is providing stockholders with the opportunity to approve, by advisory vote, the compensation of our named executive officers for the fiscal year ended December 31, 2013. This proposal, also commonly referred to as a "Say on Pay" vote, provides our stockholders the opportunity to advise our Board on their approval or non-approval of our executive compensation policies and programs and the compensation actually paid to our named executive officers.

Please review the Compensation Discussion and Analysis beginning on page 18 and the accompanying tabular and other disclosures on executive compensation beginning on page 23, and cast a vote either to endorse or not endorse our executive compensation program. A vote "For" this proposal is an advisory vote approving the compensation of our named executive officers, including our compensation practices and principles and their implementation, as discussed and disclosed pursuant to the Securities and Exchange Commission's compensation disclosure rules in the Compensation Discussion and Analysis, the compensation tables, and any narrative executive compensation disclosure contained in this proxy statement.

Our Compensation Committee and Board believe our executive compensation programs use appropriate structures and policies that are effective in achieving our Company goals and objectives. Accordingly, the Board recommends that you vote in favor of the following resolution:

"RESOLVED, that the compensation of the Company's named executive officers, as disclosed in the Compensation Discussion and Analysis and Executive Compensation sections contained in this Proxy Statement is hereby approved."

The Say on Pay vote is advisory in nature, and therefore, is not binding on our Compensation Committee or Board. Although the vote is non-binding, our Compensation Committee will review the voting results, seek to determine the cause or causes of any significant negative voting, and take them into consideration when making future decisions regarding executive compensation programs.

**Vote Required**

The approval, on an advisory and non-binding basis, of the compensation of our named executive officers requires the affirmative vote of a majority of the shares present, or represented by proxy, at the Annual Meeting and entitled to vote thereon.

**Recommendation of our Board of Directors**

OUR BOARD RECOMMENDS THAT STOCKHOLDERS VOTE **FOR** APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS AS DISCLOSED IN THIS PROXY STATEMENT.

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**PROPOSAL 3: RATIFICATION OF SELECTION OF INDEPENDENT AUDITOR**

The Audit Committee of our Board of Directors has selected PricewaterhouseCoopers LLP ("PwC") as our independent auditor to perform the audit of our financial statements and of our internal control over financial reporting for the fiscal year ending December 31, 2014. In making its selection, the Audit Committee conducted a review of PwC's performance, including consideration of the following:

PwC's performance on the audit, including the quality of the engagement team and the firm's experience, client service, responsiveness and technical expertise;

The record of the firm against comparable accounting firms in various matters such as regulatory, litigation and accounting matters;

The firm's financial strength and performance; and

The appropriateness of fees charged by the firm.

PwC was our independent auditor for the year ended December 31, 2013.

The Board of Directors recommends that stockholders ratify the selection of PwC as our independent auditor. Although ratification is not required by our bylaws or otherwise, the Board is submitting the selection of PwC to our stockholders for ratification as a matter of good corporate practice. If the selection is not ratified, the Audit Committee will consider whether it is appropriate to select another independent auditor. Even if the selection is ratified, the Audit Committee in its discretion may select a different independent auditor at any time during the year if it determines that such a change would be in the best interests of the Company and our stockholders.

**Vote Required**

The ratification of the appointment of PwC as our independent auditor for 2014 requires the affirmative vote of a majority of the shares present, or represented by proxy, at the Annual Meeting and entitled to vote thereon.

**Recommendation of our Board of Directors**

OUR BOARD RECOMMENDS THAT STOCKHOLDERS VOTE **FOR** THE RATIFICATION OF THE SELECTION OF THE INDEPENDENT AUDITOR.

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**CORPORATE GOVERNANCE**

**General**

The role of the Board of Directors is to ensure that we are managed for the long-term benefit of our stockholders. The Board periodically reviews and advises management with respect to our annual operating plans and strategic initiatives. The Board has adopted corporate governance principles to assure full and complete compliance with all applicable corporate governance standards.

During the past year, we have reviewed our corporate governance practices in comparison to the practices of other public companies and to ensure they comport with guidance and interpretations provided by the SEC and the Nasdaq Stock Market.

We have adopted a written Code of Ethics that applies to all of our employees and agents, including, but not limited to, our principal executive officer, principal financial officer and principal accounting officer, or persons performing similar functions. Our Code of Ethics, Nominating Committee Charter, Compensation Committee Charter and Audit Committee Charter are available on our website at [ir.atni.com](http://ir.atni.com) and may be obtained free of charge upon request by writing to us at Atlantic Tele-Network, Inc., Attn: Secretary, 600 Cummings Center, Beverly, MA 01915.

**Board Leadership Structure**

Our Board of Directors is committed to maintaining responsible and effective corporate governance and is focused on the interests of our stockholders. The Board does not have a policy regarding the separation of the roles of Chairman of the Board and Chief Executive Officer, as the Board believes it is in our best interests to make this determination based on an assessment of the current condition of our Company and composition of the Board. It has determined that its leadership structure, including Mr. Cornelius B. Prior, Jr. serving as Chairman, our Chief Executive Officer serving as a director, and the composition of independent directors for each of the Audit, Compensation and Nominating Committees of the Board, best serves the Company and its stockholders at this time. Our Board brings strong leadership and industry expertise to inform the management and direction of the Company on behalf of our stockholders. Mr. C.B. Prior, Jr., who has served as our Chairman since 1997, was also our Chief Executive Officer until December 2005. He, together with related entities, affiliates and family members, controls approximately 40% of our outstanding common stock, possesses extensive investment and financial management experience and has a long history and familiarity with the Company and many of its Caribbean operating markets. Management and the Board of Directors work together to try to focus the Board on major questions of governance, succession and setting the Company's overall operating and investment strategy.

**Director Nomination Process**

Our Nominating Committee considers director nominees, whether proposed by a stockholder or identified through the Company's processes, in accordance with its charter and our Nominating Guidelines and Procedures. The Nominating Committee does not rely on a fixed set of qualifications for director nominees but applies general criteria intended to ensure that the Board includes members with significant breadth of experience, knowledge and abilities as well as financial and industry expertise to assist the Board in performing its duties. Minimum qualifications for director nominees include: a reputation for integrity, honesty and adherence to high ethical standards; demonstrated business acumen, experience and judgment related to the objectives of the Company; and the commitment to understand the Company and its industry and actively participate in Board deliberations. While our Board does not have a formal diversity policy, it recognizes that a diversity of viewpoints and practical experiences can enhance the effectiveness of the Board. Accordingly, our Nominating Committee also considers nominees based on their differences of viewpoint, professional experience, education, skill and other characteristics that are relevant to the current needs of the

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Company, including those that promote diversity. Our Nominating Committee then recommends director nominees to the Board for its consideration and nomination at the next annual meeting of stockholders.

In selecting director nominees pursuant to the Nominating Guidelines and Procedures, our Nominating Committee considers candidates submitted by stockholders and evaluates such candidates in the same manner and using the same criteria as all other director nominee candidates. To submit a director nominee candidate, stockholders should submit the following information: (a) the candidate's name, age and address, (b) a brief statement of the reasons the candidate would be an effective director, (c) the candidate's principal occupation or employment for the past five years and information about any positions on the board of directors of other companies, (d) any business or other significant relationship the candidate has had with us and (e) the name and address of the stockholder making the submission. Our Nominating Committee may also seek additional information regarding the director nominee candidate and the stockholder making the submission. All submissions of director nominee candidates made by stockholders should be sent to Atlantic Tele-Network, Inc., Attn: Nominating Committee, 600 Cummings Center, Beverly, MA 01915 and must comply with applicable timing requirements.

**Determination of Independence**

Nasdaq rules require that a majority of our directors be "independent" and that we maintain a minimum three-person audit committee and a two-person compensation committee whose members satisfy heightened independence requirements. A director qualifies as "independent" if our Board upon the recommendation of our Nominating Committee, affirmatively determines that the director does not have a relationship with us, an affiliate of ours, or otherwise which, in the opinion of the Board, would interfere with the exercise of independent judgment in discharging his or her duties as a director. Nasdaq rules preclude an affirmative determination by the Board that a director is independent if:

a director who is, or was at any time during the past three years, employed by us or by any subsidiary of ours;

a director who accepted or has a family member who accepted any compensation from us or any subsidiary of ours in excess of \$120,000 during any period of twelve consecutive months within the three years preceding the determination of independence, other than: (i) compensation for board or board committee service, (ii) compensation paid to a family member who is an employee (other than the executive officer) of the company, or (iii) benefits under a tax-qualified retirement plan, or non-discretionary compensation;

a director who is a family member of an individual who is, or at any time during the past three years was, employed by us or a subsidiary of ours as an executive officer;

a director who is, or has a family member who is, a partner in, or a controlling stockholder or an executive officer of, any organization to which we made, or from which we received, payments for property or services in the current or any of the past three fiscal years that exceed the greater of 5 percent of the recipient's consolidated gross revenues for that year, or \$200,000, whichever is more, other than: (i) payments arising solely from investments in our securities or (ii) payments under non-discretionary charitable contribution matching programs;

a director who is, or has a family member who is, employed as an executive officer of another entity where at any time during the past three years any of our executive officers have served on the compensation committee of such other entity; or

a director who is, or has a family member who is, a current partner of our outside auditor, or was a partner or employee of our outside auditor who worked on our audit at any time during any of the past three years.

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Based on the Nasdaq rules, our Nominating Committee and the Board has determined that Messrs. Budd, Flynn and Roesslein and Ms. Pelletier are independent for purposes of SEC rules and Nasdaq listing compliance. This determination included reviewing the following relationships and transactions with Mr. Budd, which our Nominating Committee and the Board concluded did not affect his independence:

**Mr. Budd.** Mr. Budd is a former partner of the law firm of Day, Berry and Howard, LLP, which is now known as Day Pitney LLP ("Day Pitney"), and had served as our general outside counsel for a number of years until his retirement on December 31, 2006. From time to time, our Chairman has engaged, in an individual capacity, Day Pitney for legal services.

**Nominating Committee Report**

The Nominating Committee has reviewed and discussed the Director Nomination Process and Director Independence disclosure and, based on such review and discussions, we recommended to the Board that (i) these disclosures be included in this Proxy Statement and (ii) that each of the persons listed in Proposal 1, "Election of Directors," be nominated by the Board for election as a director of the Company.

**By the Nominating Committee**

Liane J. Pelletier, *Chair*  
Martin L. Budd  
Charles J. Roesslein

**Risk Management and Risk Assessment**

In accordance with Nasdaq requirements, our Audit Committee has the primary responsibility for the oversight of risk management and risk assessment, including the Company's major financial risk exposures and the steps management has undertaken to control such risks. Our Board of Directors remains actively involved in such oversight of risk management and assessment and receives periodic presentations from our executive officers and certain of their direct reports, as the Board of Directors may deem appropriate. This includes discussions of the Company's balance sheet and capital structure in light of potential capital needs and projections of operating cash flows and the risks to such cash flows. While the Board of Directors maintains such oversight responsibility, management is responsible for the day-to-day risk management processes and makes detailed recommendations on sources and uses of capital. The Board of Directors believes this division of responsibility is the most effective approach for addressing the risks facing the Company. As a general matter, management and the Board of Directors seek to mitigate major risks to the Company's financial condition by striving to maintain a level of debt to annual operating cash flows that allows the Company to survive short-term unforeseen reductions in cash flow or unanticipated large capital spending needs. To date, the Board of Directors believes that the Company has maintained a more conservative level of debt (relative to cash flows) than most of its peers in the telecommunications industry.

For the year ended December 31, 2013, our management, in consultation with the Board, reviewed the Company's compensation policies and practices for employees generally as they relate to risk management. As part of this process, management reviewed the Company's cash and equity incentive compensation plans and practices applicable to all employees to determine whether such programs create incentives that might motivate inappropriate or excessive risk-taking. In the course of such review, the following mitigating features of the Company's incentive compensation programs were considered: (1) the Company's focus on multiple year vesting periods for all equity compensation, including the restricted stock awards made for 2013 achievements; (2) management's practice of conservative awards of annual cash bonus payments; (3) the relatively low level of stock option

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participation among senior management; and (4) the use of restricted stock awards to encourage management to balance "upside" and "downside" risk. As a result of this process, there were no recommended changes to the Company's incentive compensation programs.

**Communications from Stockholders and Other Interested Parties**

To communicate with our Audit Committee regarding issues or complaints about questionable accounting, internal accounting controls or auditing matters, contact the Audit Committee by writing to Audit Committee, Atlantic Tele-Network, Inc., 600 Cummings Center, Beverly, MA 01915.

To send communications to the Board or to individual directors, stockholders should write to Board of Directors, Atlantic Tele-Network, Inc., 600 Cummings Center, Beverly, MA 01915. All communications received will be directly sent to the Board or to individual members of our Board, as addressed.

**Board of Directors' Meetings and Committees**

During 2013, our Board met five times either by conference call or in person. In 2013, no director attended fewer than 75% of the meetings of the Board or the meetings of the committee(s) on which he or she served. Although we do not have a policy requiring our directors to attend the Annual Meeting, all of our then-current directors attended last year's annual meeting of stockholders.

Our Board has established three standing committees: the Audit Committee, the Compensation Committee and the Nominating Committee. The current membership of each committee is as follows: