

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D. C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **May 15, 2008**

ATLANTIC TELE-NETWORK, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other
jurisdiction of incorporation)

001-12593
(Commission File Number)

47-0728886
(IRS Employer
Identification No.)

10 Derby Square
Salem, Massachusetts 01970
(Address of principal executive offices and zip code)

(978) 619-1300
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) On May 15, 2008, the stockholders of Atlantic Tele-Network, Inc. (the "Company") approved the Company's 2008 Equity Incentive Plan (the "2008 Plan") at the Company's 2008 Annual Meeting of Stockholders. The Board of Directors (the "Board") of the Company had previously adopted the 2008 Plan, subject to approval by the stockholders. The 2008 Plan replaces the Company's other equity plans under which no further awards will be made. The Company's Proxy Statement (the "Proxy Statement") for its 2008 Annual Meeting of Stockholders, which the Company filed on April 23, 2008 with the Securities and Exchange Commission on Schedule 14A, included a summary description of the 2008 Plan, as well as the full text of the 2008 Plan as Appendix A. The following is a brief description of the terms and conditions of the 2008 Plan.

The 2008 Plan is a broad-based incentive plan, and all employees, directors and consultants of the Company or any of its affiliates capable of contributing to the successful performance of the Company are eligible to participate. Under the 2008 Plan, the Company may grant stock options, restricted stock, restricted stock units, stock equivalents and awards of shares of common stock that are not subject to restrictions or forfeiture. The Company has reserved 1,500,000 shares of its common stock for issuance under the 2008 Plan.

The Board has designated the Compensation Committee of the Board (the "Committee") to administer the 2008 Plan. Except as may be limited by the 2008 Plan, the Committee will select participants to receive awards and determine the terms and conditions of each award. The Committee has approved forms of award agreements under the 2008 Plan. No award will be transferable except upon such terms and conditions and to such extent as the Committee determines, provided that no award will be transferable for value and incentive stock options may be transferable only to the extent permitted by the Internal

Revenue Code of 1986. The 2008 Plan also provides that the Company may not in any fiscal year grant to any participant options, stock appreciation rights or other awards to which performance goals may apply covering more than 150,000 shares.

Upon an equity restructuring or other corporate transaction that affects the common stock such that an adjustment is required in order to preserve the benefits intended to be provided by the 2008 Plan, the Committee will equitably adjust any or all of the number and kind of shares in respect of which awards may be made under the 2008 Plan, the number and kind of shares subject to outstanding awards, the exercise price with respect to any of the foregoing, and the limit on individual grants. In the event of a change in control of the Company, the Committee may act to preserve the participants' rights as the Committee may consider equitable to participants and in the best interests of the Company. Without further approval of the stockholders of the Company, the Committee will not authorize the amendment of any outstanding option or stock appreciation right to reduce the exercise price and no option or stock appreciation right shall be canceled and replaced with an award exercisable for common stock at a lower exercise price. The Board may amend, suspend or terminate the 2008 Plan, subject to any stockholder approval it deems necessary or appropriate.

The full text of the 2008 Plan is filed herewith as Exhibit 10.1 and is incorporated herein by reference. The forms of award agreements are filed herewith as Exhibits 10.2 through 10.5 and are incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

- 10.1 Atlantic Tele-Network, Inc. 2008 Equity Incentive Plan (incorporated by reference to Appendix A of the Definitive Proxy Statement on Schedule 14A (File No. 001-12593) filed on April 23, 2008).
- 10.2 Form of Notice of Grant of Restricted Stock and Restricted Stock Agreement (Non-Employee Directors).
- 10.3 Form of Notice of Grant of Restricted Stock and Restricted Stock Agreement.
- 10.4 Form of Notice of Grant of Incentive Stock Option and Option Agreement.
- 10.5 Form of Notice of Grant of Nonqualified Stock Option and Option Agreement.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ATLANTIC TELE-NETWORK, INC.

By: /s/ Justin D. Benincasa
Justin D. Benincasa
Chief Financial Officer

Dated: May 21, 2008

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
10.1	Atlantic Tele-Network, Inc. 2008 Equity Incentive Plan (incorporated by reference to Appendix A of the Definitive Proxy Statement on Schedule 14A (File No. 001-12593) filed on April 23, 2008).
10.2*	Form of Notice of Grant of Restricted Stock and Restricted Stock Agreement (Non-Employee Directors).
10.3*	Form of Notice of Grant of Restricted Stock and Restricted Stock Agreement.
10.4*	Form of Notice of Grant of Incentive Stock Option and Option Agreement.
10.5*	Form of Notice of Grant of Nonqualified Stock Option and Option Agreement.

* Filed herewith.

Atlantic Tele-Network, Inc.

**Form of
Notice of Grant of Restricted Stock and
Restricted Stock Agreement**

(Non-Employee Directors)

Administrator
10 Derby Square
Salem, MA 01970
(978) 619-1300

Participant Name:
ID:

Atlantic Tele-Network, Inc., a Delaware corporation (the "Company"), hereby grants to the Participant named above ("you") the number of shares of Common Stock, par value \$0.01 per share (the "Shares") of the Company set forth below on the terms of this Notice of Grant of Restricted Stock and Restricted Stock Agreement (this "Agreement"), subject to your acceptance of this Agreement and the provisions of the Atlantic Tele-Network, Inc. 2008 Equity Incentive Plan, as amended from time to time (the "Plan"). The Shares are subject to the restrictions set forth herein and those set forth in the Plan.

Date of grant:

Number of shares:

Vesting: The Shares will vest and become issuable according to the following schedule (each date, a "scheduled vesting date"):

on	, 20	, as to	_____	shares,
			(representing 33.333% of the Shares)	
on	, 20	, as to ,	_____	additional shares, and
			(representing 33.333% of the Shares)	
on	, 20	, as to	_____	additional shares.
			(representing 33.334% of the Shares)	

By your signature below, you agree with the Company to the terms of this Agreement.

Atlantic Tele-Network, Inc.

By: _____
Name: _____
Title: _____

_____ Date

Participant

_____ Date

Terms of Restricted Stock

1. **Plan Incorporated by Reference.** The provisions of the Plan are incorporated into and made a part of this Agreement by this reference. Capitalized terms defined in the Plan and used and not otherwise defined in this Agreement have the meanings given to them in the Plan. The Committee administers the Plan, and its determinations regarding the interpretation and operation of the Plan and this Agreement are final and binding. The Board may in its sole discretion at any time terminate or from time to time modify and amend the Plan as provided therein. You may obtain a copy of the Plan without charge upon request to the Company's Corporate Secretary.

2. **Vesting.** The Shares will vest, while you are a director of the Company, on the scheduled vesting dates stated in the vesting schedule on the first page of this Agreement, subject to the other terms hereof. Notwithstanding anything to the contrary in the foregoing, all unvested Shares shall become 100% vested upon your removal from the Board upon a change in control (as defined by the Committee from time to time).

3. **Withholding Taxes.** You are responsible for any income or other tax liability attributable to the Shares. It is a condition to the issuance of Shares under this Agreement that you shall pay to the Company, or make provision satisfactory to the Committee for payment of, any taxes required by law to be withheld with respect to the Shares no later than the date of the event creating the tax liability. The Company and its Affiliates may, to the extent permitted by law, deduct any such tax obligations from any payment of any kind for your benefit. In the Committee's discretion, the minimum tax obligations required by law to be withheld with respect to the Shares may be paid in whole or in part in shares of Stock, including Shares granted under this Agreement, valued at their Fair Market Value on the date of withholding or delivery. A holder may make an election in accordance with Section 83(b) of the Code. Any Section 83(b) election must be filed with the IRS within 30 days of the grant of the Shares and is the sole responsibility of the holder.

4. **Termination; Forfeiture.** You will forfeit all unvested Shares upon the termination of your service as director for any reason (other than death or disability or upon the occurrence of a change in control). When you forfeit Shares, all of your interest in the Shares will be cancelled.

5. Compliance with Law; Lock-Up Agreement. The Company shall not be obligated to issue or deliver any Shares if it determines that the delivery or issuance would violate the terms of the Company's policy regarding insider trading (including as a result of your need to engage in a sale of those shares in order to pay applicable withholding taxes). The Company shall also not be obligated to issue or deliver any shares of Common Stock unless the Company is satisfied that all requirements of law or any applicable stock exchange in connection therewith (including without limitation the effective registration or exemption of the issuance of such shares under the Securities Act of 1933, as amended, and applicable state securities laws) have been or will be complied with, and the Committee may impose any restrictions on your rights as it shall deem necessary or advisable to comply with any such requirements; provided that the Company will issue such shares on the earliest date at which it reasonably anticipates that such issuance will not cause such violation. You further agree hereby that, as a condition to the issuance of shares of Common Stock covered by the Shares, you will enter into and perform any underwriter's lock-up agreement requested by the Company from time to time in connection with public offerings of the Company's securities.

6. Rights as Stockholder; Dividends. Subject to the provisions of this Agreement, you shall have all rights and privileges as a stockholder (including, but not limited to, voting rights) with respect to the Shares, whether or not the Shares have vested, prior to any forfeiture. Any cash dividends or distributions declared and paid with respect to Shares that are, as of the record date for such dividend, allocated to you pursuant to this Agreement, but not issued prior to the applicable dividend record date will be subject to the same vesting and other restrictions as are applicable to the Shares to which the Award relates. All calculations made in connection with this grant shall be computed to three decimal places. No fractional shares shall be issued under this grant. Cash will be paid in lieu of any fractional share that otherwise would become due and payable.

7. No Right to Continued Service. Neither the adoption, maintenance or operation of the Plan nor the award of the Shares confers upon you any right to continued service as director or nomination for reelection as director.

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8. Nontransferability. Subject to the provisions of the Plan, you may not sell, assign, transfer, pledge, hypothecate or otherwise dispose of or encumber the Shares until they have vested in accordance with the scheduled vesting dates set forth in this Agreement. You may not assign or transfer any rights with respect to the Shares except by will or by the laws of descent and distribution or to the extent expressly permitted in writing by the Committee.

9. Corporate Events. The terms of the Shares may be changed without your consent as provided in the Plan upon a change in control of, or certain other corporate events affecting, the Company. Without limiting the foregoing, the vesting schedule may be accelerated as the Committee may consider equitable to the participants in the Plan and in the best interests of the Company.

10. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the applicable laws of the United States of America and the law (other than the law governing conflict of law questions) of the State of Delaware except to the extent the laws of any other jurisdiction are mandatorily applicable.

11. Amendment and Termination of the Shares. The Shares may be amended or terminated by the Company with or without your consent, as permitted by the Plan.

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Atlantic Tele-Network, Inc.

Form of
Notice of Grant of Restricted Stock and
Restricted Stock Agreement

Administrator
10 Derby Square
Salem, MA 01970
(978) 619-1300

Participant Name:
ID:

Atlantic Tele-Network, Inc., a Delaware corporation (the "Company"), hereby grants to the Participant named above ("you") the number of shares of Common Stock, par value \$0.01 per share (the "Shares") of the Company set forth below on the terms of this Notice of Grant of Restricted Stock and Restricted Stock Agreement (this "Agreement"), subject to your acceptance of this Agreement and the provisions of the Atlantic Tele-Network, Inc. 2008 Equity Incentive Plan, as amended from time to time (the "Plan"). The Shares are subject to the restrictions set forth herein and those set forth in the Plan.

Date of grant:

Number of shares:

Vesting: The Shares will vest and become issuable according to the following schedule (each date, a "scheduled vesting date"):

on	, 20	, as to		shares,
			(representing 25% of the Shares)	
on	, 20	, as to	,	additional shares,
			(representing 25% of the Shares)	
on	, 20	, as to		additional shares, and
			(representing 25% of the Shares)	
on	, 20	, as to		additional shares.
			(representing 25% of the Shares)	

By your signature below, you agree with the Company to the terms of this Agreement.

Atlantic Tele-Network, Inc.

By: _____
Name: _____
Title: _____

_____ Date

_____ Participant

_____ Date

Terms of Restricted Stock

1. Plan Incorporated by Reference. The provisions of the Plan are incorporated into and made a part of this Agreement by this reference. Capitalized terms defined in the Plan and used and not otherwise defined in this Agreement have the meanings given to them in the Plan. The Committee administers the Plan, and its determinations regarding the interpretation and operation of the Plan and this Agreement are final and binding. The Board may in its sole discretion at any time terminate or from time to time modify and amend the Plan as provided therein. You may obtain a copy of the Plan without charge upon request to the Company's Corporate Secretary.

2. Vesting. The Shares will vest, while you are employed by the Company or one of its Affiliates, on the scheduled vesting dates stated in the vesting schedule on the first page of this Agreement, subject to the other terms hereof. Notwithstanding anything to the contrary in the foregoing, all unvested Shares shall become 100% vested upon a qualifying termination of your employment (as determined by the Committee) upon the occurrence of a change in control (as defined by the Committee from time to time).

3. Withholding Taxes. You are responsible for any income or other tax liability attributable to the Shares. It is a condition to the issuance of Shares under this Agreement that you shall pay to the Company, or make provision satisfactory to the Committee for payment of, any taxes required by law to be withheld with respect to the Shares no later than the date of the event creating the tax liability. The Company and its Affiliates may, to the extent permitted by law, deduct any such tax obligations from any payment of any kind for your benefit. In the Committee's discretion, the minimum tax obligations required by law to be withheld with respect to the Shares may be paid in whole or in part in shares of Stock, including Shares granted under this Agreement, valued at their Fair Market Value on the date of withholding or delivery. A holder may make an election in accordance with Section 83(b) of the Code. Any Section 83(b) election must be filed with the IRS within 30 days of the grant of the Shares and is the sole responsibility of the holder.

4. Termination; Non-Competition and Non-Solicitation; Forfeiture.

4.1 Upon termination of your employment with the Company and its Affiliates for any reason (other than death, disability or upon the occurrence of change in control), any portion of the Shares that is unvested as of the termination date will be forfeited and revert back to the Company. Authorized leave of absence or absence on military or government service shall not constitute termination of your employment for this purpose so long as either (a) such absence is for a period of no more than 90 calendar days or (b) your right to re-employment after such absence is guaranteed either by statute or by contract.

4.2 While employed or engaged by the Company and for a period of one year after the termination or cessation of such employment or engagement for any reason, you will not, without the Company's prior written consent, directly or indirectly: (i) engage in any business or enterprise (whether as owner, partner, officer, director, employee, consultant, investor, lender or otherwise, except as the holder of not more than 1% of the outstanding stock of a publicly-held company) that is competitive with the Company's business, including but not limited to any business or enterprise that develops, manufactures, markets, licenses, sells or provides any product or service that competes with any product or service developed, manufactured, marketed, licensed, sold or provided, or planned to be developed, manufactured, marketed, licensed, sold or provided, by the Company while you are employed or engaged by the Company; (ii) either alone or in association with others, sell or attempt to sell to any person or entity that was, or to whom the Company had made or received a proposal to become, a customer or client of the Company at any time during the term of my employment or engagement with the Company, any products or services that are competitive with any products or services developed, manufactured, marketed, sold or provided by the Company; or (iii) either alone or in association with others, recruit, solicit or hire in any capacity any employee of the Company, or induce or attempt to induce any employee of the Company to discontinue his or her employment relationship with the Company.

4.3 Notwithstanding any other provision of this Agreement, (i) the Shares, whether or not vested in whole or in part, shall be forfeited and (ii) you shall be obligated to (a) transfer to the Company any Shares and (b) pay to the Company all gains realized by any person from the disposition of any such Shares if: (I) your employment with the Company or any Affiliate is terminated for cause or (II) following termination of employment for any reason, either (A) the Company determines that you engaged in conduct while an employee that would have justified termination for cause or (B) you violate any of the provisions set forth in Section 4.2 of this Agreement or any confidentiality or

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non-competition agreement with the Company or any Affiliate. Termination for cause means criminal conduct involving a felony in the U.S. or the equivalent of a felony under the laws of other countries, material violations of civil law related to your job responsibilities, fraud, dishonesty, self-dealing, breach of your obligations regarding the Company's intellectual property, or willful misconduct that the Committee determines to be injurious to the Company.

4.4 In addition to the remedies provided herein, the Company shall be entitled to equitable relief, including specific performance and injunctive relief, to ensure the your compliance with the provisions set forth in Section 4.2 of this Agreement or any confidentiality or non-competition agreement with the Company or any Affiliate.

5. Compliance with Law; Lock-Up Agreement. The Company shall not be obligated to issue or deliver any Shares if it determines that the delivery or issuance would violate the terms of the Company's policy regarding insider trading (including as a result of your need to engage in a sale of those shares in order to pay applicable withholding taxes). The Company shall also not be obligated to issue or deliver any shares of Common Stock unless the Company is satisfied that all requirements of law or any applicable stock exchange in connection therewith (including without limitation the effective registration or exemption of the issuance of such shares under the Securities Act of 1933, as amended, and applicable state securities laws) have been or will be complied with, and the Committee may impose any restrictions on your rights as it shall deem necessary or advisable to comply with any such requirements; provided that the Company will issue such shares on the earliest date at which it reasonably anticipates that such issuance will not cause such violation. You further agree hereby that, as a condition to the issuance of shares of Common Stock covered by the Shares, you will enter into and perform any underwriter's lock-up agreement requested by the Company from time to time in connection with public offerings of the Company's securities.

6. Rights as Stockholder; Dividends. Subject to the provisions of this Agreement, you shall have all rights and privileges as a stockholder (including, but not limited to, voting rights) with respect to the Shares, whether or not the Shares have vested, prior to any forfeiture. Any cash dividends or distributions declared and paid with respect to Shares that are, as of the record date for such dividend, allocated to you pursuant to this Agreement, but not issued prior to the applicable dividend record date will be subject to the same vesting and other restrictions as are applicable to the Shares to which the Award relates. All calculations made in connection with this grant shall be computed to three decimal places. No fractional shares shall be issued under this grant. Cash will be paid in lieu of any fractional share that otherwise would become due and payable.

7. Effect on Your Employment. Neither the adoption, maintenance, or operation of the Plan nor the award of the Shares confers upon you any right to continue your employment with the Company or any Affiliate, nor shall they interfere with the rights of the Company or any Affiliate to terminate or otherwise change the terms of such employment or service at any time, including, without limitation, the right to promote, demote or reassign you from one position to another in the Company or any Affiliate. Unless the Committee otherwise provides in any case, your employment with an Affiliate shall be deemed to terminate for purposes of the Plan when such Affiliate ceases to be an Affiliate of the Company.

8. Nontransferability. Subject to the provisions of the Plan, you may not sell, assign, transfer, pledge, hypothecate or otherwise dispose of or encumber the Shares until they have vested in accordance with the scheduled vesting dates set forth in this Agreement. You may not assign or transfer any rights with respect to the Shares except by will or by the laws of descent and distribution or to the extent expressly permitted in writing by the Committee.

9. Corporate Events. The terms of the Shares may be changed without your consent as provided in the Plan upon a change in control of, or certain other corporate events affecting, the Company. Without limiting the foregoing, the vesting schedule may be accelerated as the Committee may consider equitable to the participants in the Plan and in the best interests of the Company.

10. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the applicable laws of the United States of America and the law (other than the law governing conflict of law questions) of the State of Delaware except to the extent the laws of any other jurisdiction are mandatorily applicable.

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11. Amendment and Termination of the Shares. The Shares may be amended or terminated by the Company with or without your consent, as permitted by the Plan.

**Atlantic Tele-Network, Inc.
Form of
Notice of Grant of Incentive Stock Option
and Option Agreement**

Administrator
10 Derby Square
Salem, MA 01970
(978) 619-1300

Participant Name:
ID:

Atlantic Tele-Network, Inc., a Delaware corporation (the "Company"), hereby grants to the Participant named above ("you") an incentive stock option (the "Option") to purchase the number of shares of Common Stock, par value \$0.01 per share (the "Stock") of the Company set forth below on the terms of this Notice of Grant of Incentive Stock Option and Option Agreement (this "Agreement"), subject to your acceptance of this Agreement and the provisions of the Atlantic Tele-Network, Inc. 2008 Equity Incentive Plan, as amended from time to time (the "Plan"). The Option is intended to qualify as an incentive stock option under Section 422 of the Internal Revenue Code of 1986, as amended.

Date of grant:

Number of shares:

Exercise Price per share:

Vesting: The Option will vest and become exercisable on the following schedule:

on or after	, 20	, as to	shares,
on or after	, 20	, as to	additional shares,
on or after	, 20	, as to	additional shares, and
on or after	, 20	, as to	additional shares.

Expiration: The Option will expire on, and may not be exercised for any shares after _____, 20 (the "Expiration Date").

By your signature below, you agree with the Company to the terms of this Agreement.

Atlantic Tele-Network, Inc.

By: _____
Name: _____
Title: _____

_____ Date

Participant

_____ Date

Terms of Stock Options

1. **Plan Incorporated by Reference.** The provisions of the Plan are incorporated into and made a part of this Agreement by this reference. Capitalized terms used and not otherwise defined in this Agreement have the meanings given to them in the Plan. The Committee administers the Plan, and its determinations regarding the interpretation and operation of the Plan and this Agreement are final and binding. The Board may in its sole discretion at any time terminate or from time to time modify and amend the Plan as provided therein. You may obtain a copy of the Plan without charge upon request to the Company's Corporate Secretary.

2. **Number of Shares; Exercise Price.** The number of shares of Stock subject to the Option and the Exercise Price to be paid for each share upon exercise of the Option, both of which are subject to adjustment as provided in the Plan, are stated on the first page of this Agreement.

3. **Exercisability of Option.** The Option will vest and may be exercised from time to time, while you are employed by the Company or one of its Affiliates, for the respective numbers of shares and at the times stated in the vesting schedule on the first page of this Agreement, subject to the other terms hereof. You shall not earn any rights under the Option except in conformity with such schedule and until all other conditions that are required to be met in order to exercise the Option have been satisfied.

4. **Termination of Employment; Non-Competition and Non-Solicitation; Forfeiture.**

4.1 Upon termination of your employment with the Company and its Affiliates for any reason, any portion of the Option that is unvested as of the termination date will be canceled for no value. If your termination is:

- for any reason other than death or disability, any portion of the Option that is then vested may be exercised only during the 90 calendar days following the termination date;
- due to your death or disability (as determined by the Committee), any portion of the Option that is then vested may be exercised only during the one calendar year following the termination date;

In any event, the Option will expire without value on, and may not be exercised as to any shares after, the Expiration Date. Authorized leave of absence or absence on military or government service shall not constitute termination of your employment for this purpose so long as either (a) such absence is for a period of no more than 90 calendar days or (b) your right to re-employment after such absence is guaranteed either by statute or by contract.

4.2 While employed or engaged by the Company or one of its Affiliates and for a period of one year after the termination or cessation of such employment or engagement for any reason, you will not, without the Company's prior written consent, directly or indirectly: (i) engage in any business or enterprise (whether as owner, partner, officer, director, employee, consultant, investor, lender or otherwise, except as the holder of not more than 1% of the outstanding stock of a publicly-held company) that is competitive with the Company's or the Affiliate's business, including but not limited to any business or enterprise that develops, manufactures, markets, licenses, sells or provides any product or service that competes with any product or service developed, manufactured, marketed, licensed, sold or provided, or planned to be developed, manufactured, marketed, licensed, sold or provided, by the Company while you are employed or engaged by the Company or the Affiliate, in the geographic area in which the Company or the Affiliate operates; (ii) either alone or in association with others, sell or attempt to sell to any person or entity that was, or to whom the Company had made or received a proposal to become, a customer or client of the Company at any time during the term of my employment or engagement with the Company, any products or services that are competitive with any products or services developed, manufactured, marketed, sold or provided by the Company; or (iii) either alone or in association with others, recruit, solicit or hire in any capacity any employee of the Company, or induce or attempt to induce any employee of the Company to discontinue his or her employment relationship with the Company.

4.3 Notwithstanding any other provision of this Agreement, (i) the Option, whether or not vested in whole or in part, shall be canceled and forfeited and (ii) you shall be obligated to (a) transfer to the Company any shares previously issued upon exercise of the Option and (b) pay to the Company all gains realized by any person from the

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disposition of any such shares if: (I) your employment with the Company or any Affiliate is terminated for cause or (II) following termination of employment for any reason, either (A) the Company determines that you engaged in conduct while an employee that would have justified termination for cause or (B) you violate any of the provisions set forth in Section 4.2 of this agreement or any confidentiality or non-competition agreement with the Company or any Affiliate. Termination for cause means criminal conduct involving a felony in the U.S. or the equivalent of a felony under the laws of other countries, material violations of civil law related to your job responsibilities, fraud, dishonesty, self-dealing, breach of your obligations regarding the Company's intellectual property, or willful misconduct that the Committee determines to be injurious to the Company.

4.4 In addition to the remedies provided herein, the Company shall be entitled to equitable relief, including specific performance and injunctive relief, to ensure the your compliance with the provisions set forth in Section 4.2 of this Agreement or any confidentiality or non-competition agreement with the Company or any Affiliate.

It is your responsibility to exercise the Option, if at all, before the Expiration Date or any earlier date that the Option is terminated. The Company is not responsible for notifying you before your right to exercise ceases and will not make any adjustment if the Option terminates unexercised.

5. Method of Exercise. The Option may only be exercised for the purchase of whole shares. To exercise the Option, you or your legal representative must deliver to the Company, in the manner prescribed by the Company, notice of exercise specifying the number of vested shares with respect to which the Option is being exercised, accompanied by payment of the aggregate Exercise Price for such shares (i) in cash or by certified check, (ii) in the form of a payment commitment of a financial or brokerage institution acceptable to the Committee, (iii) if and as then permitted by the Committee, in shares of Stock (including without limitation shares withheld from those issuable under the Option) valued at their Fair Market Value on the date of delivery (which may, in the Committee's discretion, be by attestation) or withholding, or (iv) in such other form as the Committee may approve. Promptly following such notice and payment (but subject to Sections 6 and 7 hereof), the Company will deliver to you (or such legal representative) the number of shares for which the Option is being exercised.

6. Withholding Taxes. You are responsible for any income or other tax liability attributable to the Option. It is a condition to the issuance of shares upon exercise of the Option that you shall pay to the Company, or make provision satisfactory to the Committee for payment of, any taxes required by law to be withheld with respect to the exercise of the Option no later than the date of the event creating the tax liability. The Company and its Affiliates may, to the extent permitted by law, deduct any such tax obligations from any payment of any kind for your benefit. In the Committee's discretion, the minimum tax obligations required by law to be withheld with respect to the exercise of the Option may be paid in whole or in part in shares of Stock, including shares withheld from the exercise of the Option, valued at their Fair Market Value on the date of withholding or delivery.

7. Compliance with Law; Lock-Up Agreement. The Company shall not be obligated to issue or deliver any shares of Common Stock upon exercise of the Option if it determines that the delivery or issuance would violate the terms of the Company's policy regarding insider trading (including as a result of your need to engage in a sale of those shares in order to pay applicable withholding taxes). The Company shall not be obligated to issue any shares of Stock or other securities upon exercise of the Option unless the Company is satisfied that all requirements of law or any applicable stock exchange in connection therewith (including without limitation the effective registration or exemption of the issuance of such shares or other securities under the Securities Act of 1933, as amended, and applicable state securities laws) have been or will be complied with, and the Committee may impose any restrictions on your rights as it shall deem necessary or advisable to comply with any such requirements. You further agree hereby that, as a condition to the purchase of shares upon exercise of the Option, you will enter into and perform any underwriter's lock-up agreement requested by the Company from time to time in connection with public offerings of the Company's securities.

8. Rights as Stockholder. You shall have no rights as a stockholder with respect to any shares of Stock or other securities covered by the Option until the issuance of such shares or other securities. No adjustment shall be made for dividends or other rights for which the record date occurs before the date of any such issuance.

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9. Effect on Your Employment. Neither the adoption, maintenance, or operation of the Plan nor the award of the Option confers upon you any right to continue your employment with the Company or any Affiliate, nor shall they interfere with the rights of the Company or any Affiliate to terminate or

otherwise change the terms of such employment or service at any time, including, without limitation, the right to promote, demote or reassign you from one position to another in the Company or any Affiliate. Unless the Committee otherwise provides in any case, your employment with an Affiliate shall be deemed to terminate for purposes of the Plan when such Affiliate ceases to be an Affiliate of the Company.

10. Nontransferability. You may not assign or transfer the Option or any rights under it except by will or by the laws of descent and distribution, and it shall be exercisable during your life only by you or your legal representative.

11. Corporate Events. The terms of the Option may be changed without your consent as provided in the Plan upon a change in control of, or certain other corporate events affecting, the Company. Without limiting the foregoing, the number and kind of shares or other securities or property issuable upon exercise of the Option or the Exercise Price may be changed, the vesting schedule may be accelerated, the Option may be assumed by another issuer, or the Option may be terminated, as the Committee may consider equitable to the participants in the Plan and in the best interests of the Company. Notwithstanding anything to the contrary in the foregoing, an unvested Option shall become 100% vested upon a qualifying termination of your employment (as determined by the Committee) upon the occurrence of a change in control (as defined by the Committee from time to time).

12. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the applicable laws of the United States of America and the law (other than the law governing conflict of law questions) of the State of Delaware except to the extent the laws of any other jurisdiction are mandatorily applicable.

13. Amendment and Termination of the Option. The Option may be amended or terminated by the Company before the Expiration Date, with or without your consent, as permitted by the Plan.

Incentive Stock Option Provisions: *This Option is intended to qualify as an Incentive Stock Option, as stated on page 1 of this Agreement. Incentive Stock Option tax treatment requires compliance with a number of factors, and the Company gives no assurance that this Option will, in fact, be treated as an Incentive Stock Option, even if stated on page 1 hereof. You agree to notify the Company promptly in the event that you sell, transfer, exchange or otherwise dispose of any shares of Stock issued upon exercise of any Incentive Stock Option before the later of (i) the second anniversary of the date of grant of the Option and (ii) the first anniversary of the date such shares were issued upon exercise of the Option.*

* * * *

**Atlantic Tele-Network, Inc.
Form of
Notice of Grant of Nonqualified Stock Option
and Option Agreement**

Administrator
10 Derby Square
Salem, MA 01970
(978) 619-1300

Participant Name:
ID:

Atlantic Tele-Network, Inc., a Delaware corporation (the "Company"), hereby grants to the Participant named above ("you") a nonqualified stock option (the "Option") to purchase the number of shares of Common Stock, par value \$0.01 per share (the "Stock") of the Company set forth below on the terms of this Notice of Grant of Nonqualified Stock Option and Option Agreement (this "Agreement"), subject to your acceptance of this Agreement and the provisions of the Atlantic Tele-Network, Inc. 2008 Equity Incentive Plan, as amended from time to time (the "Plan").

Date of grant:

Number of shares:

Exercise Price per share:

Vesting: The Option will vest and become exercisable on the following schedule:

on or after	, 20	, as to	shares,
on or after	, 20	, as to	additional shares,
on or after	, 20	, as to	additional shares, and
on or after	, 20	, as to	additional shares.

Expiration: The Option will expire on, and may not be exercised for any shares after, _____, 20____ (the "Expiration Date").

By your signature below, you agree with the Company to the terms of this Agreement.

Atlantic Tele-Network, Inc.

By: _____
Name: _____
Title: _____

Date

Participant

Date

Terms of Stock Options

1. **Plan Incorporated by Reference.** The provisions of the Plan are incorporated into and made a part of this Agreement by this reference. Capitalized terms used and not otherwise defined in this Agreement have the meanings given to them in the Plan. The Committee administers the Plan, and its determinations regarding the interpretation and operation of the Plan and this Agreement are final and binding. The Board may in its sole discretion at any time terminate or from time to time modify and amend the Plan as provided therein. You may obtain a copy of the Plan without charge upon request to the Company's Corporate Secretary.

2. **Number of Shares; Exercise Price.** The number of shares of Stock subject to the Option and the Exercise Price to be paid for each share upon exercise of the Option, both of which are subject to adjustment as provided in the Plan, are stated on the first page of this Agreement.

3. **Exercisability of Option.** The Option will vest and may be exercised from time to time, while you are employed by the Company or one of its Affiliates, for the respective numbers of shares and at the times stated in the vesting schedule on the first page of this Agreement, subject to the other terms hereof. You shall not earn any rights under the Option except in conformity with such schedule and until all other conditions that are required to be met in order to exercise the Option have been satisfied.

4. **Termination of Employment; Non-Competition and Non-Solicitation; Forfeiture.**

4.1 Upon termination of your employment with the Company and its Affiliates for any reason, any portion of the Option that is unvested as of the termination date will be canceled for no value. If your termination is:

- for any reason other than death or disability, any portion of the Option that is then vested may be exercised only during the 90 calendar days following the termination date;

due to your death or disability (as determined by the Committee), any portion of the Option that is then vested may be exercised only during the one calendar year following the termination date;

In any event, the Option will expire without value on, and may not be exercised as to any shares after, the Expiration Date. Authorized leave of absence or absence on military or government service shall not constitute termination of your employment for this purpose so long as either (a) such absence is for a period of no more than 90 calendar days or (b) your right to re-employment after such absence is guaranteed either by statute or by contract.

4.2 While employed or engaged by the Company or one of its Affiliates and for a period of one year after the termination or cessation of such employment or engagement for any reason, you will not, without the Company's prior written consent, directly or indirectly: (i) engage in any business or enterprise (whether as owner, partner, officer, director, employee, consultant, investor, lender or otherwise, except as the holder of not more than 1% of the outstanding stock of a publicly-held company) that is competitive with the Company's or the Affiliate's business, including but not limited to any business or enterprise that develops, manufactures, markets, licenses, sells or provides any product or service that competes with any product or service developed, manufactured, marketed, licensed, sold or provided, or planned to be developed, manufactured, marketed, licensed, sold or provided, by the Company while you are employed or engaged by the Company or the Affiliate, in the geographic area in which the Company or the Affiliate operates; (ii) either alone or in association with others, sell or attempt to sell to any person or entity that was, or to whom the Company had made or received a proposal to become, a customer or client of the Company at any time during the term of my employment or engagement with the Company, any products or services that are competitive with any products or services developed, manufactured, marketed, sold or provided by the Company; or (iii) either alone or in association with others, recruit, solicit or hire in any capacity any employee of the Company, or induce or attempt to induce any employee of the Company to discontinue his or her employment relationship with the Company.

4.3 Notwithstanding any other provision of this Agreement, (i) the Option, whether or not vested in whole or in part, shall be canceled and forfeited and (ii) you shall be obligated to (a) transfer to the Company any shares previously issued upon exercise of the Option and (b) pay to the Company all gains realized by any person from the

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disposition of any such shares if: (I) your employment with the Company or any Affiliate is terminated for cause or (II) following termination of employment for any reason, either (A) the Company determines that you engaged in conduct while an employee that would have justified termination for cause or (B) you violate any of the provisions set forth in Section 4.2 of this agreement or any confidentiality or non-competition agreement with the Company or any Affiliate. Termination for cause means criminal conduct involving a felony in the U.S. or the equivalent of a felony under the laws of other countries, material violations of civil law related to your job responsibilities, fraud, dishonesty, self-dealing, breach of your obligations regarding the Company's intellectual property, or willful misconduct that the Committee determines to be injurious to the Company.

4.4 In addition to the remedies provided herein, the Company shall be entitled to equitable relief, including specific performance and injunctive relief, to ensure your compliance with the provisions set forth in Section 4.2 of this Agreement or any confidentiality or non-competition agreement with the Company or any Affiliate.

It is your responsibility to exercise the Option, if at all, before the Expiration Date or any earlier date that the Option is terminated. The Company is not responsible for notifying you before your right to exercise ceases and will not make any adjustment if the Option terminates unexercised.

5. **Method of Exercise.** The Option may only be exercised for the purchase of whole shares. To exercise the Option, you or your legal representative must deliver to the Company, in the manner prescribed by the Company, notice of exercise specifying the number of vested shares with respect to which the Option is being exercised, accompanied by payment of the aggregate Exercise Price for such shares (i) in cash or by certified check, (ii) in the form of a payment commitment of a financial or brokerage institution acceptable to the Committee, (iii) if and as then permitted by the Committee, in shares of Stock (including without limitation shares withheld from those issuable under the Option) valued at their Fair Market Value on the date of delivery (which may, in the Committee's discretion, be by attestation) or withholding, or (iv) in such other form as the Committee may approve. Promptly following such notice and payment (but subject to Sections 6 and 7 hereof), the Company will deliver to you (or such legal representative) the number of shares for which the Option is being exercised.

6. **Withholding Taxes.** You are responsible for any income or other tax liability attributable to the Option. It is a condition to the issuance of shares upon exercise of the Option that you shall pay to the Company, or make provision satisfactory to the Committee for payment of, any taxes required by law to be withheld with respect to the exercise of the Option no later than the date of the event creating the tax liability. The Company and its Affiliates may, to the extent permitted by law, deduct any such tax obligations from any payment of any kind for your benefit. In the Committee's discretion, the minimum tax obligations required by law to be withheld with respect to the exercise of the Option may be paid in whole or in part in shares of Stock, including shares withheld from the exercise of the Option, valued at their Fair Market Value on the date of withholding or delivery.

7. **Compliance with Law; Lock-Up Agreement.** The Company shall not be obligated to issue or deliver any shares of Stock or other securities upon exercise of the Option if it determines that the delivery or issuance would violate the terms of the Company's policy regarding insider trading (including as a result of your need to engage in a sale of those shares in order to pay applicable withholding taxes). The Company shall not be obligated to issue any shares of Stock or other securities upon exercise of the Option unless the Company is satisfied that all requirements of law or any applicable stock exchange in connection therewith (including without limitation the effective registration or exemption of the issuance of such shares or other securities under the Securities Act of 1933, as amended, and applicable state securities laws) have been or will be complied with, and the Committee may impose any restrictions on your rights as it shall deem necessary or advisable to comply with any such requirements. You further agree hereby that, as a condition to the purchase of shares upon exercise of the Option, you will enter into and perform any underwriter's lock-up agreement requested by the Company from time to time in connection with public offerings of the Company's securities.

8. **Rights as Stockholder.** You shall have no rights as a stockholder with respect to any shares of Stock or other securities covered by the Option until the issuance of such shares or other securities. No adjustment shall be made for dividends or other rights for which the record date occurs before the date of any such issuance.

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9. Effect on Your Employment. Neither the adoption, maintenance, or operation of the Plan nor the award of the Option confers upon you any right to continue your employment with the Company or any Affiliate, nor shall they interfere with the rights of the Company or any Affiliate to terminate or otherwise change the terms of such employment or service at any time, including, without limitation, the right to promote, demote or reassign you from one position to another in the Company or any Affiliate. Unless the Committee otherwise provides in any case, your employment with an Affiliate shall be deemed to terminate for purposes of the Plan when such Affiliate ceases to be an Affiliate of the Company.

10. Nontransferability. You may not assign or transfer the Option or any rights under it except by will or by the laws of descent and distribution, and it shall be exercisable during your life only by you or your legal representative; provided, however, that you may transfer the Option to the extent expressly permitted in writing by the Committee.

11. Corporate Events. The terms of the Option may be changed without your consent as provided in the Plan upon a change in control of, or certain other corporate events affecting, the Company. Without limiting the foregoing, the number and kind of shares or other securities or property issuable upon exercise of the Option or the Exercise Price may be changed, the vesting schedule may be accelerated, the Option may be assumed by another issuer, or the Option may be terminated, as the Committee may consider equitable to the participants in the Plan and in the best interests of the Company. Notwithstanding anything to the contrary in the foregoing, an unvested Option shall become 100% vested upon a qualifying termination of your employment (as determined by the Committee) upon the occurrence of a change in control (as defined by the Committee from time to time).

12. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the applicable laws of the United States of America and the law (other than the law governing conflict of law questions) of the State of Delaware except to the extent the laws of any other jurisdiction are mandatorily applicable.

13. Amendment and Termination of the Option. The Option may be amended or terminated by the Company before the Expiration Date, with or without your consent, as permitted by the Plan.

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