






**Alaska Communications Systems Group, ALSK NASDAQ**  
**Integrated Telecommunications Services** Market Capitalization USD: **\$296.07 mm**

**CONCERN LEVEL: AVERAGE**

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group. 
- 7 The company's dilution from equity incentives is 10 percent or less. 
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

**CEO: Anand Vadapalli**

**Age: 46**

**CEO Since: 2011**

	2009	2010	2011
<b>Base Salary</b>	\$500,000	\$500,000	\$438,079
<b>Discretionary Bonus</b>	\$0	\$0	\$0
<b>Annual Cash Incentive</b>	\$309,375	\$478,500	\$418,611
<b>Benefits and Perquisites</b>	\$24,245	\$12,000	\$29,971
<b>TOTAL ANNUAL COMPENSATION</b>	<b>\$833,620</b>	<b>\$990,500</b>	<b>\$886,661</b>
<b>Increase in Post-Retirement Benefits</b>	\$20,893	\$27,004	\$31,366
<b>Stock Option Awards</b>	\$540,364	\$0	\$0
<b>Stock Awards</b>	\$622,700	\$966,297	\$334,279
<b>TOTAL COMPENSATION</b>	<b>\$2,017,577</b>	<b>\$1,983,801</b>	<b>\$1,252,306</b>
<b>Median of Other Named Executive Officers Total Compensation</b>	\$890,619	\$900,242	\$502,425
<b>Value Realized on Exercise of Stock Option</b>	\$0	\$0	\$0
<b>Value Realized on Vesting of Stock</b>	\$1,623,856	\$363,562	\$238,326
<b>TOTAL REALIZED EQUITY COMPENSATION</b>	<b>\$1,623,856</b>	<b>\$363,562</b>	<b>\$238,326</b>

**Proxy Date:** 25 Apr 2012

**Annual Meeting Date:** 8 Jun 2012

**Equity Reserves:** 15.38%

**Stock Option Run Rate:**

# Alaska Communications Systems Group, ALSK NASDAQ

Integrated Telecommunications Services

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## Performance Comparison

■ S&P500   ■ Industry   ■ ALSK



## Peer Comparisons (TRBC) = Integrated Telecommunications Services

### Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
<b>ALSK</b>	<b>Alaska Communications Systems Group,</b>	<b>\$2,017,577</b>	<b>\$1,983,801</b>	<b>\$1,252,306</b>	<b>\$296,069,445</b>
BSFT	BroadSoft, Inc.		\$792,497	\$2,013,840	\$817,559,043
CBB	Cincinnati Bell Inc.	\$4,985,633	\$8,562,462	\$6,064,213	\$614,651,570
VG	Vonage Holdings Corp.	\$4,679,309	\$6,027,597	\$5,598,900	\$585,250,489
CNSL	Consolidated Communications Holdings, Inc.	\$1,825,269	\$1,758,451		\$540,053,996
ATNI	Atlantic Tele-Network, Inc.	\$1,947,305	\$1,627,131		\$506,363,672
KNOL	Knology, Inc.	\$1,108,820	\$1,751,143		\$488,728,839

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps.

Missing peer pay figures for 2011 are due to differences in company filing schedules.

### Pay Peer Group

AboveNet, Atlantic Tele-Network, Cbeyond, Cincinnati Bell, Cogent Communications, Consolidated Communications, General Communications, ITC Deltacom, Neutral Tandem, Ntelos, Premiere Global, Shenandoah Telecom, Surewest Communications, USA Mobility, Vonage Holdings.

### Performance Peer Group

NA

## COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Brian A. Ross	Chairman	54	Male	1	Outside
David W. Karp	Member	45	Male	1	Outside

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