UNITED STATES CELLULAR CORP
Form DEF 14A
April 07, 2015

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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 ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material under §240.14a-12

UNITED STATES CELLULAR CORPORATION

(Name of Registrant as Specified In Its Charter)

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

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(1) Amount Previously Paid:

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UNITED STATES CELLULAR CORPORATION
8410 West Bryn Mawr Avenue
Chicago, Illinois 60631
Phone: (773) 399-8900
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April 7, 2015

Dear Fellow Shareholders:

You are cordially invited to attend the 2015 annual meeting of shareholders ("2015 Annual Meeting") of United States Cellular Corporation ("U.S. Cellular") on Tuesday, May 19, 2015, at 8:00 a.m., central time, at The Pfister Hotel, 424 East Wisconsin Avenue, Milwaukee, Wisconsin. At the meeting, we will report on the accomplishments and plans of U.S. Cellular.

The Notice of 2015 Annual Meeting of Shareholders and 2015 Proxy Statement ("2015 Proxy Statement") of our board of directors is attached. Also enclosed is our 2014 Annual Report to shareholders ("2014 Annual Report"). At the 2015 Annual Meeting, shareholders are being asked to take the following actions:

1. Elect members of the board of directors nominated by our board of directors and named in the attached 2015 Proxy Statement.

2. Ratify the selection of independent registered public accountants for the current fiscal year.

3. Approve, on an advisory basis, the compensation of our named executive officers as disclosed in the attached 2015 Proxy Statement (commonly known as "Say-on-Pay").

Your board of directors unanimously recommends a vote "**FOR**" its nominees for election as directors, "**FOR**" the proposal to ratify accountants, and "**FOR**" the Say-on-Pay proposal.

Considerations relating to the Say-on-Pay Proposal

U.S. Cellular operates in a highly competitive market, and needs to and has been able to attract and retain high-quality executives. We believe that our compensation practices are transparent and reflect our commitment to align compensation with our business strategy and our short-and long-term performance.

Highlights of the U.S. Cellular compensation programs:

- We have a Long-Term Incentive Compensation Committee, comprised solely of independent directors, that reviews and approves the long-term incentive compensation of executive officers.

- Other executive compensation is approved by U.S. Cellular's Chairman, LeRoy T. Carlson, Jr., who is also a director and President and Chief Executive Officer of U.S. Cellular's parent company, Telephone and Data Systems, Inc. ("TDS"). Mr. Carlson's position with TDS, which is the majority shareholder of U.S. Cellular, permits him to represent the interests of all shareholders of U.S. Cellular in his compensation decisions. Mr. Carlson does not receive any compensation directly from U.S. Cellular and is compensated by TDS.

We designed our compensation programs to motivate executive officers to act in the long-term interests of U.S. Cellular.

Our executive officer compensation levels are based in part on competitive market compensation data supplied by our compensation consultant, Towers Watson.

A major compensation goal is to provide compensation and benefit programs that we believe are both competitive and fiscally responsible.

We provide few perquisites ("perks") to our officers.

We believe our executive bonus program is appropriately balanced between company and individual performance.

The maximum amount of the bonus paid to officers is 200% of the total target opportunity.

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We endeavor to conform with generally accepted compensation practices as defined by leading proxy advisory firms.

2014 Compensation

The primary financial focus of U.S. Cellular is the increase of long-term shareholder value through growth, measured in such terms as revenues, adjusted income before income taxes, and capital expenditures. Compensation decisions are made considering these performance measures, as well as all other appropriate facts and circumstances, including factors such as customer growth and employee engagement.

Our executive officers' 2014 compensation was comprised of a mix of base salary, annual cash bonuses and equity-based, long-term incentive awards.

When setting 2014 base salaries, we considered the competitive market compensation data supplied by our compensation consultant, the executive officers' personal accomplishments and their overall contribution to the success of the organization. Please refer to a description of each named executive officer's base salary in the attached 2015 Proxy Statement under "Compensation Discussion and Analysis Annual Cash Compensation Base Salary".

Bonus awards for 2014 performance paid in 2015 were based on company performance (60%), the Chairman's assessment of strategic initiatives (10%) and individual performance (30%). For 2014, we determined that the company achieved 94.1% of its weighted performance targets for company performance, resulting in a payout of 89.4% of target for this factor. Please refer to a description of U.S. Cellular's 2014 performance in the attached 2015 Proxy Statement under "Compensation Discussion and Analysis Company Performance" and a description of each named executive officer's bonus in the attached 2015 Proxy Statement under "Compensation Discussion and Analysis Annual Cash Compensation Bonus".

Long-term equity compensation awards to executive officers in 2014 were based, in part, on the company's achievement of 75% of the target company performance for 2013 and the individual performance of each executive officer in 2013. Stock options, restricted stock units and bonus match units generally vest over several years, thereby tying long-term executive compensation to increases in shareholder value over the same period. Please refer to a description of each named executive officer's 2014 long-term equity compensation awards in the attached 2015 Proxy Statement under "Compensation Discussion and Analysis Long-Term Equity Compensation".

Changes to Compensation Policies

During 2014, certain changes were made to the executive compensation policies. For 2014 bonuses, company performance metrics included total revenues to recognize the impact of equipment installment plans, whereas service revenues, which excluded equipment sales, was used in 2013. In addition, the multiples used to calculate the long-term incentive awards in 2014 were generally intended to provide awards at the 60th percentile considering a historical three-year average multiple, compared to the 75th percentile without a three-year average for awards in 2013. Also, changes were made in the custom peer group used to help determine and set long-term incentive awards. For more information on these changes in comparison to prior years, please refer to the attached 2015 Proxy Statement under "Compensation Discussion and Analysis Changes to Compensation Policies."

Corporate Governance

U.S. Cellular endeavors to follow good corporate governance practices and other best practices. For instance, U.S. Cellular has established a Long-Term Incentive Compensation Committee with authority over long-term incentive compensation, even though it is not required to do so under law, Securities and Exchange Commission regulations or New York Stock Exchange listing requirements because it is controlled by TDS. Other executive compensation is approved by U.S. Cellular's Chairman, LeRoy T. Carlson, Jr., who is also a director and President and Chief Executive Officer of TDS, the majority and largest shareholder of U.S. Cellular. Mr. Carlson's position with TDS permits him to represent the interests of all shareholders of U.S. Cellular in his compensation decisions. U.S. Cellular, and TDS in its capacity as U.S. Cellular's parent and controlling shareholder, are committed to good corporate governance. U.S.

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Cellular's and TDS' commitment to good corporate governance has been recognized by *Forbes*, which has published a list of the *Most Trustworthy* companies since 2007. U.S. Cellular was one of only 100 companies named *Most Trustworthy* in 2014. In addition, TDS was one of only 100 companies named *Most Trustworthy* in the following years: 2012, 2010 and 2009. Forbes used *Governance Metrics International (*or its predecessor *Audit Integrity*) to analyze more than 8,000 companies before selecting the top 100. Additional information relating to U.S. Cellular's good corporate governance practices and other best practices is set forth in the Compensation Discussion and Analysis in the attached 2015 Proxy Statement.

In 2014, U.S. Cellular declassified its board of directors so that, effective with the 2015 Annual Meeting of shareholders, all directors will be elected annually and serve one year terms. As a result, the terms of all incumbent directors will cease at the 2015 Annual Meeting of shareholders and all persons elected as directors will serve a one year term ending at the 2016 annual meeting of shareholders.

We encourage you to read the Compensation Discussion and Analysis in the attached 2015 Proxy Statement for a detailed discussion and analysis of our executive compensation program, including information about the fiscal 2014 compensation of our named executive officers. We also encourage you to read the rest of the 2015 Proxy Statement and the 2014 Annual Report.

Our board of directors and members of our management team will be at the 2015 Annual Meeting to meet with you and discuss our record of achievement and plans for the future. Your vote is important. Therefore, please sign and return the enclosed proxy card, whether or not you plan to attend the meeting. We look forward to visiting with you at the 2015 Annual Meeting.

Very truly yours,

LeRoy T. Carlson, Jr.	Kenneth R. Meyers
Chairman	President and Chief Executive Officer

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NOTICE OF 2015 ANNUAL MEETING OF SHAREHOLDERS AND 2015 PROXY STATEMENT

TO THE SHAREHOLDERS OF

UNITED STATES CELLULAR CORPORATION

We will hold the 2015 annual meeting of the shareholders ("2015 Annual Meeting") of United States Cellular Corporation ("U.S. Cellular"), a Delaware corporation, at The Pfister Hotel, 424 East Wisconsin Avenue, Milwaukee, Wisconsin, on Tuesday, May 19, 2015, at 8:00 a.m., central time. At the meeting, we are asking shareholders to take the following actions:

1. To elect members of the board of directors nominated by your board of directors and named in this proxy statement. Your board of directors unanimously recommends that you vote **FOR** its nominees.

2. To ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accountants for the year ending December 31, 2015. Your board of directors unanimously recommends that you vote **FOR** this proposal.

3. To approve, on an advisory basis, the compensation of our named executive officers as disclosed herein (commonly known as "Say-on-Pay"). Your board of directors unanimously recommends that you vote **FOR** the Say-on-Pay proposal.

4. To transact such other business as may properly come before the meeting or any postponement, adjournment or recess thereof.

We have fixed the close of business on March 23, 2015 as the record date for the determination of shareholders entitled to notice of, and to vote at, the 2015 Annual Meeting or any postponement, adjournment or recess thereof.

We are first sending this Notice of 2015 Annual Meeting of Shareholders and 2015 Proxy Statement ("2015 Proxy Statement"), together with our 2014 Annual Report to shareholders ("2014 Annual Report"), on or about April 7, 2015 to shareholders who are receiving a paper copy of the proxy materials. We made arrangements to commence mailing a Notice of Internet Availability of Proxy Materials on or about April 7, 2015 to other shareholders as discussed below.

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IMPORTANT NOTICE REGARDING INTERNET AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDERS MEETING TO BE HELD ON MAY 19, 2015

The following information about the Internet availability of proxy materials is being provided under rules of the Securities and Exchange Commission ("SEC"):

Effective April 7, 2015, the following documents are available at www.uscellular.com under About Us Investor Relations Proxy Vote, or at investors.uscellular.com/proxyvote:

1. 2015 Proxy Statement
2. 2014 Annual Report
3. Form of Proxy Card
4. Notice of Internet Availability of Proxy Materials

Under SEC rules, proxy materials are being furnished to many of our shareholders via the Internet, instead of mailing printed copies of those materials to each shareholder. Beginning April 7, 2015, U.S. Cellular made arrangements to commence sending certain shareholders a Notice of Internet Availability of Proxy Materials (the "Notice") containing instructions on how to access our proxy materials, including our 2015 Proxy Statement and 2014 Annual Report. The Notice also instructs shareholders on how to vote through the Internet.

This process is designed to reduce the environmental impact associated with our annual meeting and help conserve resources. However, if a shareholder prefers to receive printed proxy materials at no additional cost, on a one-time or ongoing basis, instructions for doing so are included in the Notice or at investors.uscellular.com/proxyvote.

If you have previously elected to receive our proxy materials electronically or in paper format, you will continue to receive these materials in accordance with your election until you elect otherwise.

We encourage you to formally consent to receive all proxy materials electronically in the future. If you wish to receive these materials electronically next year, please follow the instructions at investors.uscellular.com/proxyvote.

If you received a Notice, any control/identification numbers that you need to access the proxy materials and vote are set forth on your Notice.

If you received printed materials, any control/identification numbers that you need to vote are set forth on your proxy card if you are a record holder, or on your voting instruction card if you hold shares through a broker, dealer or bank.

The location where the 2015 Annual Meeting will be held is the Seventh Floor in the McKinley and Taft rooms of The Pfister Hotel, 424 East Wisconsin Avenue, Milwaukee, Wisconsin 53202, telephone: (414) 273-8222. The Pfister Hotel main entrance is located in downtown Milwaukee on Jefferson Street between Wisconsin Avenue and Mason Street. Valet parking is available at the hotel entrance on Jefferson Street. Self parking is available in the hotel building located on Mason Street. For directions and a map, please see the hotel website: http://www.thepfisterhotel.com.

UNITED STATES CELLULAR CORPORATION

2015 PROXY STATEMENT

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SUMMARY

The following is a summary of the actions being taken at the 2015 Annual Meeting and does not include all of the information that may be important to you. You should carefully read this entire 2015 Proxy Statement and not rely solely on the following summary.

Proposal 1 Election of Directors

In September 2014, the board of directors increased the size of the board from ten to fourteen members and four new persons were appointed to the board of directors by TDS as the sole holder of Series A Common Shares. Accordingly, there are currently fourteen directors.

In addition, in November 2014, shareholders approved and U.S. Cellular filed a Restated Certificate of Incorporation ("Restated Charter") which, among other things, effected a declassification of its board of directors so that, effective with the 2015 Annual Meeting of shareholders, all directors will be elected annually and serve one year terms. As a result, the terms of all incumbent directors will cease at the 2015 Annual Meeting of shareholders and all persons elected as directors will serve a one year term ending at the 2016 Annual Meeting of shareholders.

The holders of Common Shares are entitled to elect four directors at the 2015 Annual Meeting. Your board of directors has nominated the following incumbent directors for election as directors by the holders of Common Shares in 2015: J. Samuel Crowley, Paul-Henri Denuit, Harry J. Harczak, Jr. and Gregory P. Josefowicz.

TDS, as the sole holder of Series A Common Shares, is entitled to elect ten directors at the 2015 Annual Meeting. Your board of directors has nominated the following incumbent directors for election as directors by the holder of Series A Common Shares in 2015: James Barr III, Steven T. Campbell, LeRoy T. Carlson, Jr., Walter C.D. Carlson, Ronald E. Daly, Kenneth R. Meyers, Peter L. Sereda, Douglas D. Shuma, Cecelia D. Stewart and Kurt B. Thaus.

Your board of directors unanimously recommends that you vote "**FOR**" the above nominees.

Proposal 2 Ratification of Independent Registered Public Accounting Firm for 2015

As in prior years, shareholders are being asked to ratify PricewaterhouseCoopers LLP as our independent registered public accounting firm for the year ending December 31, 2015.

Your board of directors unanimously recommends that you vote "**FOR**" this proposal.

Proposal 3 Advisory Vote on Executive Compensation or "Say-on-Pay"

As required by the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), at the 2015 Annual Meeting, shareholders are being asked to approve, on an advisory basis, the compensation of our named executive officers for 2014 as disclosed in this 2015 Proxy Statement.

Your board of directors unanimously recommends that you vote "**FOR**" this proposal.

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VOTING INFORMATION

Voting Rights

Under the Restated Charter, each Series A Common Share is entitled to ten votes on all matters, and each Common Share is entitled to one vote on all matters. The holders of Common Shares, voting as a separate class, are entitled to elect 25% of the directors (rounded up to the nearest whole number), and the holders of Series A Common Shares are entitled to elect the remaining 75% of the directors (rounded down to the nearest whole number).

What is the record date for the meeting?

The close of business on March 23, 2015 is the record date for the determination of shareholders entitled to notice of, and to vote at, the 2015 Annual Meeting or any postponement, adjournment or recess thereof.

A complete list of shareholders entitled to vote at the 2015 Annual Meeting, arranged in alphabetical order and by voting group, showing the address of and number of shares held by each shareholder, will be made available at the offices of U.S. Cellular, 8410 West Bryn Mawr Avenue, Chicago, Illinois 60631, for examination by any shareholder during normal business hours, for a period of at least ten days prior to the 2015 Annual Meeting.

What shares of stock entitle holders to vote at the meeting?

We have the following classes or series of stock outstanding, each of which entitles holders to vote at the meeting:

- Common Shares; and
- Series A Common Shares.

The Common Shares are listed on the New York Stock Exchange ("NYSE") under the symbol "USM."

No public market exists for the Series A Common Shares, but the Series A Common Shares are convertible on a share-for-share basis into Common Shares.

On the record date, U.S. Cellular had outstanding 51,029,530 Common Shares, par value $1.00 per share (excluding 4,038,471 Common Shares held by U.S. Cellular and a subsidiary of U.S. Cellular), and 33,005,877 Series A Common Shares, par value $1.00 per share. As of the record date, no shares of Preferred Stock, par value $1.00 per share, of U.S. Cellular were outstanding.

Telephone and Data Systems, Inc., a Delaware corporation (NYSE: TDS), which we refer to as "TDS", is the sole holder of Series A Common Shares and holds 37,782,826 Common Shares, representing approximately 74.0% of the outstanding Common Shares. By reason of such holdings, TDS has the voting power to elect all of the directors of U.S. Cellular and has approximately 96.5% of the voting power with respect to matters other than the election of directors. The Voting Trust under Agreement dated June 30, 1989, as amended (the "TDS Voting Trust") controls TDS.

What is the voting power of the outstanding shares in the election of directors?

The following shows information relating to the outstanding shares and voting power of such shares in the election of directors as of the record date:

Class or Series of Common Stock	Outstanding Shares	Votes per Share	Total Voting Power	Total Number of Directors Elected

				by Class or Series
Series A Common Shares	33,005,877	10	330,058,770	10
Common Shares	51,029,530	1	51,029,530	4
Total	N/A	N/A	N/A	14

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TDS, as the sole holder of Series A Common Shares, is entitled to elect ten of the directors at the 2015 Annual Meeting. The holders of Common Shares are entitled to elect four of the directors at the 2015 Annual Meeting.

Director Voting Sunset Provision. As noted above, holders of Series A Common Shares and holders of Common Shares vote separately in the election of directors. However, pursuant to U.S. Cellular's Restated Charter, if the number of Series A Common Shares issued and outstanding at any time falls below 12 1/2% of the number of outstanding shares of common stock, because of the conversion of Series A Common Shares into Common Shares or otherwise, the holder of Series A Common Shares would lose the right to vote as a separate class, and thereafter the holder of Series A Common Shares, with ten votes per share, and the holders of Common Shares, with one vote per share, would vote as a single class in the election of all directors.

What is the voting power of the outstanding shares in matters other than the election of directors?

The following shows information relating to the outstanding shares and voting power of such shares in matters other than the election of directors as of the record date:

Class or Series of Common Stock	Outstanding Shares	Votes per Share	Total Voting Power	Percent
Series A Common Shares	33,005,877	10	330,058,770	86.6%
Common Shares	51,029,530	1	51,029,530	13.4%
Total	N/A	N/A	381,088,300	100.0%

Voting Power Sunset Provision. As noted above, each Series A Common Share has ten votes per share in all matters and, as a result, the Series A Common Shares have a substantial majority of votes in matters other than the election of directors. However, this percentage could decrease. For instance, this could occur if TDS converts Series A Common Shares into Common Shares for any reason. Accordingly, the Restated Charter effectively has a sunset provision for voting in matters other than the election of directors because, if a sufficient number of Series A Common Shares are converted into Common Shares, the voting power of Series A Common Shares could decline below 50%.

How may shareholders vote in the election of directors in Proposal 1?

Holders of Common Shares may, with respect to the election of the four directors to be elected by the holders of Common Shares, vote FOR the election of such director nominees or WITHHOLD authority to vote for such director nominees.

TDS, as the sole holder of Series A Common Shares may, with respect to the election of the ten directors to be elected by the holder of Series A Common Shares, vote FOR the election of such director nominees or WITHHOLD authority to vote for such director nominees.

Your board of directors unanimously recommends a vote **FOR** its nominees.

How may shareholders vote with respect to the ratification of independent registered public accounting firm in Proposal 2?

Shareholders may, with respect to the proposal to ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2015:

- vote FOR,
- vote AGAINST, or
- ABSTAIN from voting on the proposal.

Your board of directors unanimously recommends a vote **FOR** this proposal.

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How may shareholders vote with respect to the Say-on-Pay proposal in Proposal 3?

Shareholders may, with respect to the Say-on-Pay proposal:

- vote FOR,
- vote AGAINST, or
- ABSTAIN from voting on this proposal.

Your board of directors unanimously recommends a vote **FOR** this proposal.

How does TDS intend to vote?

TDS is the sole holder of Series A Common Shares and on the record date held 33,005,877 Series A Common Shares. By reason of such holding, TDS has the voting power to elect all of the directors to be elected by the Series A Common Shares. TDS also held 37,782,826 Common Shares on the record date, representing approximately 74.0% of the Common Shares. By reason of such holding, TDS has approximately 74.0% of the voting power with respect to the election of the directors to be elected by the holders of Common Shares. By reason of the foregoing holdings, TDS also has approximately 96.5% of the voting power with respect to matters other than the election of directors.

TDS has advised us that it intends to vote:

- FOR the board of directors' nominees for election by the holder of Series A Common Shares and the board of directors' nominees for election by the holders of Common Shares,
- FOR the proposal to ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2015, and
- FOR the Say-on-Pay proposal.

How do I vote?

Proxies are being requested from the holders of Common Shares in connection with the election of four directors, the ratification of independent registered public accountants, and the Say-on-Pay proposal. Whether or not you plan to attend the meeting, please sign and mail your proxy in the enclosed self-addressed envelope to Proxy Services, c/o Computershare Trust Company, N.A., P.O. Box 30170, College Station, TX 77842-3170, or vote on the Internet using the control/identification number on your proxy card in accordance with the instructions set forth on the proxy card. You have the power to revoke your proxy at any time before it is voted, and the giving of a proxy will not affect your right to vote in person if you attend the 2015 Annual Meeting.

How will proxies be voted?

All properly voted and unrevoked proxies received in the enclosed form in time for the 2015 Annual Meeting will be voted in the manner directed.

If no direction is made, a proxy by a shareholder will be voted FOR the election of each of the named director nominees to serve as a director in Proposal 1, FOR Proposal 2, and FOR Proposal 3.

If a proxy indicates that all or a portion of the votes represented by such proxy are not being voted with respect to a particular matter, such "non-votes" will not be considered present and entitled to vote on such matter. However, the shares represented by such a proxy may be considered present and entitled to vote on other matters and will count for the purpose of determining the presence of a quorum.

Proxies given pursuant to this solicitation may be revoked at any time prior to the voting of the shares at the 2015 Annual Meeting by written notice to the Secretary of U.S. Cellular, by submitting a later dated proxy or by attendance and voting in person at the 2015 Annual Meeting.

The board of directors has no knowledge of any other proposals that may be properly presented at the 2015 Annual Meeting and no other proposals were received by U.S. Cellular by the date specified by the advance notice provision in U.S. Cellular's Bylaws. Accordingly, as permitted by SEC rules, the proxy solicited by the board of directors for the 2015 Annual Meeting confers discretionary authority to the proxies named therein to vote on any matter that may properly come before such meeting or any

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adjournment, postponement or recess thereof, in addition to the foregoing proposals, to the extent permitted by applicable law and regulation.

How will my shares be voted if I own shares through a broker?

If you are the beneficial owner of shares held in "street name" by a broker, bank, or other nominee ("broker"), such broker, as the record holder of the shares, is required to vote those shares in accordance with your instructions. If you do not give specific instructions to the broker or have standing instructions on file with the broker, under Rule 452 of the NYSE, depending on the timing of certain actions, the broker may be entitled to vote the shares with respect to "discretionary" items but will not be permitted to vote the shares with respect to "non-discretionary" items (in which case such shares will be treated as non-votes). In addition, whether the broker can or will vote your shares with respect to discretionary items if you have not given instructions to the broker and how such shares may be voted by the broker (i.e., proportionately with voting instructions received by the broker from other shareholders or pursuant to the recommendation of management, etc.) depend on the particular broker's policies. As a result, we cannot advise you whether your broker will or will not vote your shares or how it may vote the shares if it does not receive or have voting instructions from you and, accordingly, recommend that you contact your broker. In general, the ratification of auditors is a discretionary item. On the other hand, matters such as the election of directors (whether contested or not), votes on Say-on-Pay, the approval of an equity compensation plan, and shareholder proposals are non-discretionary items. In such cases, if your broker does not have specific or standing instructions, your shares will be treated as non-votes and will not be voted on such matters. Accordingly, we urge you to provide instructions to your broker so that your votes may be counted on all matters. If your shares are held in street name, your broker will include a voting instruction card with this 2015 Proxy Statement. We strongly encourage you to vote your shares by following the instructions provided on the voting instruction card. Please return your voting instruction card to your broker and/or contact your broker to ensure that a proxy card is voted on your behalf.

What constitutes a quorum for the meeting?

A majority of the voting power of shares of capital stock in matters other than the election of directors and entitled to vote, present in person or represented by proxy, will constitute a quorum to permit the 2015 Annual Meeting to proceed. Withheld votes and abstentions of shares entitled to vote and non-votes will be treated as present in person or represented by proxy for purposes of establishing a quorum for the meeting. If such a quorum is present or represented by proxy, the meeting can proceed. If the shares beneficially owned by TDS are present in person or represented by proxy at the 2015 Annual Meeting, such shares will constitute a quorum at the 2015 Annual Meeting to permit the meeting to proceed. In addition, where a separate vote by a class or group is required with respect to a proposal, a quorum is also required with respect to such proposal for the vote to proceed with respect to such proposal.

In the election of directors, where a separate vote by a class or voting group is required, the holders of a majority of the votes of the stock of such class or voting group, present in person or represented by proxy, will constitute a quorum entitled to take action with respect to that vote on that matter. Withheld votes by shares entitled to vote with respect to a director and non-votes with respect to such director will be treated as present in person or represented by proxy for the purpose of establishing a quorum for the election of such director. If the shares beneficially owned by TDS are present in person or represented by proxy at the 2015 Annual Meeting, such shares will constitute a quorum at the 2015 Annual Meeting with respect to the ten directors to be elected by the Series A Common Shares and with respect to the four directors to be elected by the Common Shares.

The holders of a majority of the votes of the stock issued and outstanding and entitled to vote with respect to the other proposals, present in person or represented by proxy, will constitute a quorum at the 2015 Annual Meeting in connection with such other proposals. Abstentions from voting on such proposals by shares entitled to vote on such proposals and non-votes with respect to such proposals will be treated as present in person or represented by proxy for the purpose of establishing a quorum for such proposals. If the shares beneficially owned by TDS are present in person or represented by proxy at the 2015 Annual Meeting, such shares will constitute a quorum at the 2015 Annual Meeting in connection with such proposals.

Even if a quorum is present, the holders of a majority of the voting stock present in person or represented by proxy may adjourn the 2015 Annual Meeting. Because it holds a majority of the voting power of all classes of stock, TDS has the voting power to approve an adjournment. U.S. Cellular does not currently have any expectation that the 2015 Annual Meeting would be adjourned for any reason. However, if there is a proposal to adjourn the 2015 Annual Meeting by a vote of the shareholders, the persons named in the enclosed proxy will have discretionary authority to vote with respect to such adjournment.

What vote is required for the election of directors in Proposal 1?

The holders of Common Shares will vote separately with respect to the election of four directors. TDS as the sole holder of Series A Common Shares will vote separately with respect to the election of ten directors.

Directors will be elected by a plurality of the votes cast in the election of directors by the class of shareholders entitled to vote in the election of such directors which are present in person or represented by proxy at the meeting.

Accordingly, if a quorum of such shares is present at the 2015 Annual Meeting, the person receiving a plurality of the votes cast by holders of such shares entitled to vote with respect to the election of such director will be elected to serve as a director. Withheld votes and non-votes with respect to the election of directors will not be counted as votes cast for the purpose of determining if a director has received a plurality of the votes.

In the election of directors by holders of Common Shares, each holder of outstanding Common Shares is entitled to one vote for each Common Share held in such holder's name. In the election of directors by the holder of Series A Common Shares, TDS is entitled to ten votes for each Series A Common Share held in its name.

What vote is required with respect to Proposals 2 and 3?

The holders of Common Shares and Series A Common Shares will vote together as a single group with respect to Proposals 2 and 3. Each holder of Common Shares is entitled to one vote for each Common Share held in such holder's name. TDS as the sole holder of Series A Common Shares is entitled to ten votes for each Series A Common Share held in its name.

If a quorum is present at the 2015 Annual Meeting, Proposals 2 and 3 will require the affirmative vote of a majority of the voting power of the Common Shares and Series A Common Shares voting together and present in person or represented by proxy and entitled to vote on such matter at the 2015 Annual Meeting. An abstention from voting on such proposal will not be an affirmative vote and, as a result, will effectively be treated as a vote against such proposal. Although non-votes may be included for the purpose of determining a quorum, they will not be treated as entitled to vote on Proposals 2 and 3 at the 2015 Annual Meeting and, therefore, will not be included in the calculation of whether these proposals have received the requisite vote.

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PROPOSAL 1
ELECTION OF DIRECTORS

The nominees for election as directors are identified in the table below. Each of the nominees has consented to be named in the 2015 Proxy Statement and to serve if elected. The age of the following persons is as of the date of this 2015 Proxy Statement.

To be Elected by Holders of Common Shares

Name	Age	Position with U.S. Cellular and Principal Occupation	Served as Director since
J. Samuel Crowley	64	Director of U.S. Cellular, Private Investor and former executive at Gold's Gym International, Inc., Michaels Stores, Inc. and CompUSA, Inc.	1998
Paul-Henri Denuit	80	Director of U.S. Cellular, Private Investor and retired Chief Executive Officer, Managing Director and Chairman of S.A. Coditel	1988
Harry J. Harczak, Jr.	58	Director of U.S. Cellular, Private Investor, Managing Director of Sawdust Capital, LLC and former Executive Vice President at CDW Corporation	2003
Gregory P. Josefowicz	62	Director of U.S. Cellular, Private Investor and retired Chairman, Chief Executive Officer and President of Borders Group, Inc.	2009

To be Elected by Holder of Series A Common Shares

Name	Age	Position with U.S. Cellular and Principal Occupation	Served as Director since
James Barr III	75	Director of U.S. Cellular, Private Investor and retired President and Chief Executive Officer of TDS Telecommunications Corporation	2009
Steven T. Campbell	63	Director and Executive Vice President-Finance, Chief Financial Officer and Treasurer of U.S. Cellular	Sept. 2014
LeRoy T. Carlson, Jr.	68	Chairman and Director of U.S. Cellular and President and Chief Executive Officer of TDS	1984
Walter C.D. Carlson	61	Director of U.S. Cellular, non-executive Chairman of the Board of TDS and Partner, Sidley Austin LLP, Chicago, Illinois	1989
Ronald E. Daly	68	Director of U.S. Cellular, Private Investor, former President and Chief Executive Officer of Océ-USA Holding, Inc. and former President of the Printing Solutions division of R.R. Donnelley, Inc.	2004
Kenneth R. Meyers	61	Director and President and Chief Executive Officer of U.S. Cellular	1999
Peter L. Sereda	56	Director of U.S. Cellular and Senior Vice President Finance and Treasurer of TDS	Sept. 2014
Douglas D. Shuma	54	Director and Chief Accounting Officer of U.S. Cellular and Senior Vice President Finance and Chief Accounting Officer of TDS	Sept. 2014
Cecelia D. Stewart	56	Director of U.S. Cellular, Private Investor and retired President of U.S. Consumer and Commercial Banking of Citigroup Inc.	2013
Kurt B. Thaus	56	Director of U.S. Cellular and Senior Vice President and Chief Information Officer of TDS	Sept. 2014

Your board of directors unanimously recommends a vote "FOR" the above nominees.

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Background of Board of Directors' Nominees

The following briefly describes the business experience during at least the past five years of each of the nominees, including each person's principal occupation(s) and employment during at least the past five years; the name and principal business of any corporation or other organization in which such occupation(s) and employment were carried on; and whether such corporation or organization is a parent, subsidiary or other affiliate of U.S. Cellular. The following also indicates any other directorships held, including any other directorships held during at least the past five years, by each nominee, in any SEC registered company or any investment company, and the identity of such company.

In addition, the following also briefly discusses the specific experience, qualifications, attributes or skills that led to the conclusion that each such person should serve as a director of U.S. Cellular, in light of U.S. Cellular's business and structure, including information about the person's particular areas of expertise or other relevant qualifications. As discussed below under "Director Nomination Process", the U.S. Cellular board of directors does not have any specific, minimum qualifications that the board believes must be met by a nominee for a position on the U.S. Cellular board of directors, or any specific qualities or skills that the board believes are necessary for one or more of the U.S. Cellular directors to possess. The U.S. Cellular board believes that substantial judgment, diligence and care are required to identify and select qualified persons as directors and does not believe that it would be appropriate to place limitations on its own discretion. The U.S. Cellular board of directors has consistently sought to nominate to the board of directors eminently qualified individuals whom the board believes would provide substantial benefit and guidance to U.S. Cellular. Also, as discussed below under "Director Nomination Process", U.S. Cellular believes that it is desirable for directors to have diverse backgrounds, experience, skills and other characteristics. In addition, the conclusion of which persons should serve as directors of U.S. Cellular is based in part on the fact that U.S. Cellular is a controlled company with a capital structure in which different classes of stock vote for different directorships. In particular, as discussed under "Director Nomination Process", because TDS owns 100% of the Series A Common Shares, nominations of directors for election by the holder of the Series A Common Shares are based on the recommendation of TDS. In addition, the board of directors may consider the recommendations of large shareholders, including TDS, in nominating persons for election as directors by the holders of Common Shares.

Nominees for Election by Holders of Commons Shares

J. Samuel Crowley. J. Samuel Crowley was last elected as a director by the holders of Common Shares at the 2014 annual meeting. The following provides information on the background of Mr. Crowley, including the specific factors that led to the conclusion that he should serve as a director of U.S. Cellular.

J. Samuel Crowley has significant experience with U.S. Cellular and the wireless industry as a director of U.S. Cellular since 1998. Also, he has been a member and chairperson of the U.S. Cellular Audit Committee since 2001 and a member of the U.S. Cellular Long-Term Incentive Compensation Committee since 2001.

Mr. Crowley is currently a private investor.

Between 2005 and 2007, Mr. Crowley was the chief operating officer of Gold's Gym International, Inc., a private company which operates fitness facilities.

Between 2002 and 2003, Mr. Crowley was senior vice president new ventures, at Michaels Stores, Inc., a national specialty retail company (formerly NYSE: MIK).

Between 2000 and 2002, he was a business strategy consultant with Insider Marketing, a high tech marketing consulting firm.

Prior to that, Mr. Crowley was employed for more than five years by CompUSA, Inc. which, before it was acquired, was a national retailer and reseller of personal computers and had been listed on the NYSE (formerly NYSE: CPU). Mr. Crowley was part of the team that founded CompUSA and took the company public on the NYSE in 1992. He served in several roles as vice president and then was named

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executive vice president of operations in 1995, a position that he held until the company was acquired in 2000.

Effective April 11, 2014, Mr. Crowley was appointed as a director and a member and chairman of the audit committee of Goodman Networks, which provides network products and services to wireless companies. Goodman Networks does not have any publicly traded common stock but, as a result of its registration with the SEC of notes in 2013, files periodic reports with the SEC. Goodman Networks provides network products and services on a regular basis to U.S. Cellular and/or its affiliates. In 2014, U.S. Cellular made purchases of approximately $1.2 million from Goodman Networks. The purchases in 2014 were less than 2% of Goodman Networks' gross revenues. All transactions with Goodman Networks were made in the ordinary course of business, at arms-length, and at prices and on terms customarily available. Mr. Crowley is not an executive officer of Goodman Networks and, as a director thereof, had no involvement in, nor received any personal benefit from, Goodman Networks' transactions with U.S. Cellular. Considering the foregoing, the U.S. Cellular board of directors does not believe that Mr. Crowley has any material direct or indirect relationships with U.S. Cellular or its affiliates unrelated to his service on the U.S. Cellular board of directors and is independent under NYSE listing standards. Even though the foregoing interests were not considered to be direct or indirect material interests to Mr. Crowley, they are disclosed voluntarily for purposes of full disclosure.

In 2010 and 2011, Mr. Crowley was a director of Vois, Inc., a public (over-the-counter: VOIS.PK) development-stage company that is focused on the development and marketing of an Internet social networking site.

Mr. Crowley has an MBA from the University of Texas at Dallas.

Mr. Crowley brings to the U.S. Cellular board of directors substantial experience, expertise and qualifications in management and operations as a result of having been the chief operating officer of Gold's Gym International, Inc., a senior vice president at Michaels Stores, Inc. and a vice president and the executive vice president of operations at CompUSA, Inc. In addition, Mr. Crowley brings to the U.S. Cellular board of directors substantial experience, expertise and qualifications with respect to U.S. Cellular and the telecommunications industry as a result of his service as a director of U.S. Cellular since 1998 and as a result of his service as the chairperson of the U.S. Cellular Audit Committee since 2001.

Paul-Henri Denuit. Paul-Henri Denuit was last elected as a director by the holders of Common Shares at the 2013 annual meeting. The following provides information on the background of Mr. Denuit, including the specific factors that led to the conclusion that he should serve as a director of U.S. Cellular.

Paul-Henri Denuit has extensive experience with U.S. Cellular and the wireless industry as a director of U.S. Cellular since 1988, before U.S. Cellular became a public company. He has also been a member of the U.S. Cellular Audit Committee and of the U.S. Cellular Long-Term Incentive Compensation Committee for many years. Mr. Denuit has been the chairperson of the U.S. Cellular Long-Term Incentive Compensation Committee since 1997.

Mr. Denuit is currently a private investor.

Prior to retiring in 2001, Mr. Denuit had been employed by S.A. Coditel for over 30 years in various capacities, including as chief executive officer, managing director and chairman of its board of directors. S.A. Coditel provides cable and television service in certain European countries. S.A. Coditel became a shareholder of U.S. Cellular before U.S. Cellular became a public company in 1988 and continued to be a principal shareholder of U.S. Cellular for several years after it became a public company.

Mr. Denuit was originally appointed as a director of U.S. Cellular pursuant to the terms of a Common Stock Purchase Agreement in 1987, between U.S. Cellular and S.A. Coditel. Although the terms of this agreement expired many years ago, the U.S. Cellular board of directors has continued to renominate Mr. Denuit as a director as a result of his background and the board's observations of his performance as a director.

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Mr. Denuit was also previously a member of the management team of Prime Cable, Inc., a privately-held U.S. corporation based in Austin, Texas that was involved in the operation of cable television systems in the United States.

Mr. Denuit was also previously a director and member of the general management committee of S.A. Tractebel, a Belgian holding company with interests in electricity, gas, consulting, engineering, industrial services and communications. He was also previously a director of Société Française du Radiotéléphone (S.F.R.) S.A., a French wireless telephone operator, and Société Européenne des Satellites, S.A., a Luxembourg-based operator of direct-to-home (DTH) satellite television services.

Mr. Denuit holds a degree in admiralty law and a doctorate of law from the Université Libre de Bruxelles.

Mr. Denuit brings to the U.S. Cellular board of directors substantial experience, expertise and qualifications in management and operations as a result of his background as the chief executive officer, managing director and chairman of S.A. Coditel. He also brings to the U.S. Cellular board of directors substantial experience, expertise and qualifications with respect to U.S. Cellular and the telecommunications industry as a result of his many years as a director of U.S. Cellular and as a result of his service as the chairperson of the U.S. Cellular Long-Term Incentive Compensation Committee since 1997. As a result of his experience with the wireless, cable and television industry in Europe, and because he is a foreign national, he also brings diversity of background to the U.S. Cellular board.

Harry J. Harczak, Jr. Harry J. Harczak, Jr. was last elected as a director by the holders of Common Shares at the 2012 annual meeting. The following provides information on the background of Mr. Harczak, including the specific factors that led to the conclusion that he should serve as a director of U.S. Cellular.

Harry J. Harczak, Jr. has significant experience with U.S. Cellular and the wireless industry as a director of U.S. Cellular since 2003. He also has been a member of and has served as an "audit committee financial expert" on U.S. Cellular's Audit Committee since 2003.

Mr. Harczak is a private investor and has been a managing director of Sawdust Capital, LLC, a privately-owned investment management company, since 2008.

Mr. Harczak was an officer of CDW Corporation, a provider of technology products and services, between 1994 and 2007, where he was successively the chief financial officer and the executive vice president of sales, marketing and business development. During that period, CDW was publicly-traded and listed on the NASDAQ under the symbol: CDWC. CDW became privately-held in 2007 and in 2013 resumed public-trading on the NASDAQ under the symbol: CDW.

Prior to that, Mr. Harczak was a partner at PricewaterhouseCoopers LLP, an international public accounting firm and, prior to that, was employed by PricewaterhouseCoopers LLP in managing and senior-level auditing capacities.

Mr. Harczak is a director and member of the audit committee and governance and nominating committee of Tech Data Corporation (NASDAQ: TECD), a distributor of technology products from information technology hardware and software producers.

Mr. Harczak is also a board member of several private and non-profit entities.

Mr. Harczak is a Certified Public Accountant (inactive).

Mr. Harczak has an undergraduate degree in accounting from DePaul University and an MBA from the University of Chicago.

Mr. Harczak brings to the U.S. Cellular board of directors substantial experience, expertise and qualifications in finance, sales, operations and management as a result of his prior positions at CDW Corporation. In addition, Mr. Harczak brings to the U.S. Cellular board of directors substantial experience, expertise and qualifications with respect to U.S. Cellular and the telecommunications industry as a result of his service as a director of U.S. Cellular for many years. In addition, Mr. Harczak has substantial experience, expertise and qualifications in accounting and auditing as a Certified Public Accountant, as a former chief financial officer of CDW Corporation and as a former partner and employee of PricewaterhouseCoopers LLP. As a result, he has been designated as an audit committee financial expert on U.S. Cellular's Audit Committee.

Gregory P. Josefowicz. Gregory P. Josefowicz was last elected as a director by the holder of Series A Common Shares at the 2012 annual meeting. As previously disclosed, he was redesignated as a Common Share director in September 2014. The following provides information on the background of Mr. Josefowicz, including the specific factors that led to the conclusion that he should serve as a director of U.S. Cellular.

Gregory P. Josefowicz has significant experience with U.S. Cellular and the wireless industry, having served as a director of U.S. Cellular since 2009 and a member of its Audit Committee since 2010. Mr. Josefowicz was a director of TDS between 2007 and 2009.

Gregory P. Josefowicz is currently a private investor. He previously served as a non-exclusive, senior level consultant to Borders Group, Inc. (NYSE: BGP), a global retailer of books, music and movies, between 2006 and 2008.

From 1999 until his retirement in 2006, Mr. Josefowicz served as a director and president and chief executive officer, and was named chairman of the board in 2002, of Borders Group which, at the time, had over 14,000 employees worldwide.

Prior to that, he was chief executive officer of the Jewel-Osco division of American Stores Company, which operated food and drug stores in the greater Chicago, Illinois and Milwaukee, Wisconsin areas, from 1997 until June 1999 when American Stores merged into Albertson's Inc., a national retail food-drug chain. At that time, Mr. Josefowicz became president of Albertson's Midwest region. Mr. Josefowicz joined Jewel in 1974, and was elected senior vice president of marketing and advertising in 1993.

In March 2012, Mr. Josefowicz was appointed as a director of Roundy's, Inc. (NYSE: RNDY), a leading grocer in the Midwest. He is the "lead director" of Roundy's, a member and chairperson of its nominating and corporate governance committee, and a member of its audit committee and of its compensation committee.

Mr. Josefowicz has been a member of the board of directors of True Value Company, a retailer-owned cooperative that operates hardware stores, since 2010.

Mr. Josefowicz had been the non-executive chairman of the board of directors of PetSmart, Inc. (formerly NASDAQ: PETM), a leading pet supply and services retailer, since June 2013. Before that, he was the "lead director" of PetSmart and had been a member of its board of directors since 2004. He was a member and the chairperson of its nomination and governance committee and a member of its compensation committee. PetSmart effected a merger on March 11, 2015 pursuant to which it became privately held. Accordingly, Mr. Josefowicz ceased serving on the board of directors and committees of PetSmart at that time.

Mr. Josefowicz was a member of the board of directors of Tops Holding Corporation, the parent of Tops Markets, LLC, which operates and franchises supermarkets, between 2008 and 2013. Tops Holding Corporation does not have any publicly traded common stock but, as a result of its registration with the SEC of debt securities, Tops Holding Corporation files periodic reports with the SEC.

Mr. Josefowicz was formerly a director of Winn-Dixie Stores, Inc. (NASDAQ: WINN), one of the nation's largest food retailers, between 2006 and March 2012. He was also a member and an "audit committee financial expert" of its audit committee and the "lead director" of Winn-Dixie Stores.

Mr. Josefowicz was formerly a director of Ryerson Inc. (formerly NYSE: RYI), a leading distributor and processor of metals in North America, between 1999 and 2006, when it was acquired by Rhombus Holding Corp. Mr. Josefowicz had been a member and the chairperson of the audit committee of Ryerson.

Mr. Josefowicz also was formerly a director of Spartan Stores (NASDAQ: SPTN), a U.S. grocery distributor, between 2001 and 2005. Mr. Josefowicz had been a member of the compensation committee of Spartan Stores.

Mr. Josefowicz had been a director of TDS between 2007 and 2009.

As a result of the settlement of a proxy contest by TDS in 2009, Mr. Josefowicz ceased to be a director of TDS at its 2009 annual meeting. However, because TDS believed that Mr. Josefowicz was an outstanding director, TDS requested that the U.S. Cellular board of directors consider nominating Mr. Josefowicz to the U.S. Cellular board in 2009 in order to permit U.S. Cellular to benefit from his experience and insights. After consideration of the background and experience of Mr. Josefowicz, the U.S. Cellular board of directors nominated him for election as a director at the 2009 annual meeting and Mr. Josefowicz has been a director since that annual meeting.

Mr. Josefowicz has an MBA from Northwestern University's J. L. Kellogg Graduate School of Management.

Mr. Josefowicz brings to the U.S. Cellular board of directors substantial experience, expertise and qualifications in retail marketing and management. He has over 20 years of management experience, including senior management experience leading large retail organizations. Because of the retail nature of the U.S. Cellular business, the U.S. Cellular board believes that it is highly desirable to have a director with significant knowledge and experience in retail marketing and management of retail businesses.

Nominees for Election by Holder of Series A Commons Shares

James Barr III. James Barr III was last elected as a director by the holder of Series A Common Shares at the 2013 annual meeting. The following provides information on the background of Mr. Barr, including the specific factors that led to the conclusion that he should serve as a director of U.S. Cellular.

James Barr III has extensive experience with U.S. Cellular and the wireless industry, having served as a director of U.S. Cellular since 2009, and as a director of TDS between 1990 and 2009. Mr. Barr has also been a member of U.S. Cellular's Audit Committee since 2014.

Mr. Barr is currently a private investor.

James Barr III had been the President and Chief Executive Officer of TDS Telecommunications Corporation ("TDS Telecom"), a wholly-owned subsidiary of TDS, which operates TDS' Wireline, Hosted and Managed Services (HMS) and Cable segments, between 1990 when he joined TDS Telecom and his retirement from TDS Telecom in 2007. Mr. Barr stepped down as the President and Chief Executive Officer of TDS Telecom and retired as an employee in 2007.

After his retirement, Mr. Barr served as a consultant to TDS until 2009.

As a result of the settlement of a proxy contest by TDS in 2009, James Barr III ceased to be a director of TDS at its 2009 annual meeting. However, because TDS believed that Mr. Barr was an outstanding director, TDS requested that the U.S. Cellular board of directors consider nominating Mr. Barr to the U.S. Cellular board in 2009 in order to permit U.S. Cellular to benefit from his experience and insights. After consideration of the background and experience of Mr. Barr, the U.S. Cellular board of directors nominated him for election as a director at the 2009 annual meeting and Mr. Barr has been a director since that annual meeting.

Prior to his employment with TDS Telecom in 1990, Mr. Barr served as a Sales Vice President for American Telephone and Telegraph Company ("AT&T"), an international telecommunications company (NYSE: T), from 1985 through 1989.

Mr. Barr was previously a director of former TDS subsidiaries Aerial Communications, Inc. (formerly NASDAQ: AERL), which developed and operated wireless personal communications services, and American Paging, Inc. (formerly AMEX: APP), which operated wireless paging services.

Mr. Barr has an undergraduate degree in Mechanical Engineering from Iowa State University and an MBA from the University of Chicago.

Mr. Barr brings to the U.S. Cellular board of directors substantial experience, expertise and qualifications with respect to the telecommunications industry as a result of his many years as a director of TDS and as President and Chief Executive Officer of TDS Telecom, and as an executive with AT&T. In

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addition, Mr. Barr's background in wireline telecommunications brings diversity of experience to the U.S. Cellular board in operating its wireless business.

Steven T. Campbell. Steven T. Campbell was first elected as a director by the holder of Series A Common Shares in September 2014. The following provides information on the background of Mr. Campbell, including the specific factors that led to the conclusion that he should serve as a director of U.S. Cellular.

Steven T. Campbell has been the Executive Vice President Finance, Chief Financial Officer and Treasurer of U.S. Cellular since 2007. Mr. Campbell is responsible for all financial matters for U.S. Cellular, including accounting, financial reporting and transparency, financial planning and analysis, and treasury functions. In addition, his team leads long-term business strategies, risk management, intercarrier business, legal and regulatory affairs, real estate leasing and site services, and supply chain activities.

Mr. Campbell joined U.S. Cellular as Vice President and Controller in 2005. Prior to joining U.S. Cellular, Mr. Campbell held senior finance and accounting positions at 3Com Corporation, U.S. Robotics Corporation and Amoco Corporation. He began his finance and accounting career with PricewaterhouseCoopers LLP.

Mr. Campbell is a Certified Public Accountant (inactive), has an MBA from Northwestern University's J. L. Kellogg Graduate School of Management and a bachelor's degree in accounting from Quincy University.

Mr. Campbell brings to the U.S. Cellular board of directors substantial experience, expertise and qualifications with respect to U.S. Cellular and the telecommunications industry as a result of his employment with U.S. Cellular since 2005. He also brings substantial experience, expertise and qualifications with respect to finance and accounting as a result of his extensive experience at U.S. Cellular, 3Com Corporation, U.S. Robotics Corporation, Amoco Corporation and PricewaterhouseCoopers LLP.

LeRoy T. Carlson, Jr. LeRoy T. Carlson, Jr. was last elected as a director by the holder of Series A Common Shares at the 2014 annual meeting. The following provides information on the background of Mr. Carlson, including the specific factors that led to the conclusion that he should serve as a director of U.S. Cellular.

LeRoy T. Carlson, Jr. has extensive experience with U.S. Cellular and the wireless industry as a director of U.S. Cellular since the time that U.S. Cellular was founded in 1984. He has also been a member of the U.S. Cellular Pricing Committee for many years.

LeRoy T. Carlson, Jr. has been the Chairman (an executive officer) of U.S. Cellular since 1989.

LeRoy T. Carlson, Jr. is also TDS' President and Chief Executive Officer (an executive officer of TDS). He has been TDS' President since 1981 and its Chief Executive Officer since 1986.

Mr. Carlson has also served on the board of directors of TDS since the time that TDS was founded in 1968.

He has been a director of TDS Telecom since 1988 and the Chairman (an executive officer) of TDS Telecom since 1990.

Mr. Carlson was previously a director of former TDS subsidiaries Aerial Communications, Inc. (formerly NASDAQ: AERL), which developed and operated wireless personal communications services, and American Paging, Inc. (formerly AMEX: APP), which operated wireless paging services.

Mr. Carlson has an MBA from Harvard University.

Mr. Carlson brings to the U.S. Cellular board of directors substantial experience, expertise and qualifications with respect to U.S. Cellular and the telecommunications industry as a result of his many years as a director and President and Chief Executive Officer of TDS, as a director and Chairman of U.S. Cellular and as a director and Chairman of TDS Telecom. As the senior executive officer of U.S. Cellular and of its parent, TDS, the board of directors considers it essential that Mr. Carlson serve on the U.S.

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Cellular board. Also, because he is a director and officer of TDS, the largest shareholder of U.S. Cellular, his participation on the U.S. Cellular board of directors permits him to represent the long-term interests of U.S. Cellular shareholders.

LeRoy T. Carlson, Jr. is the son of LeRoy T. Carlson and the brother of Walter C.D. Carlson.

Walter C.D. Carlson. Walter C.D. Carlson was last elected as a director by the holder of Series A Common Shares at the 2014 annual meeting. The following provides information on the background of Mr. Carlson, including the specific factors that led to the conclusion that he should serve as a director of U.S. Cellular.

Walter C.D. Carlson has extensive experience with U.S. Cellular and the wireless industry as a director of U.S. Cellular since 1989.

Walter C.D. Carlson has been a partner of the law firm of Sidley Austin LLP since 1986 and is a member of its executive committee. Mr. Carlson is an experienced litigator, and has represented clients in a variety of types of specialized and general commercial litigation. The law firm of Sidley Austin LLP provides legal services to U.S. Cellular, TDS and their subsidiaries on a regular basis. See "Certain Relationships and Related Transactions" below. Mr. Carlson does not provide legal services to U.S. Cellular, TDS or their subsidiaries.

Mr. Carlson has served on the board of directors of TDS since 1981 and has been TDS' non-executive Chairman of the Board since 2002.

Mr. Carlson was a director of former TDS subsidiary Aerial Communications, Inc. (formerly NASDAQ: AERL), which developed and operated wireless personal communications services.

Mr. Carlson has a J.D. from Harvard University.

Mr. Carlson brings to the U.S. Cellular board of directors substantial experience, expertise and qualifications with respect to U.S. Cellular and the telecommunications industry as a result of his many years as a director of U.S. Cellular and TDS, and as Chairman of the Board of TDS. He also has substantial experience, expertise and qualifications as a result of having represented many corporate clients as a lawyer. Also, because he is a director of TDS, the largest shareholder of U.S. Cellular, his participation on the U.S. Cellular board of directors permits him to represent the long-term interests of U.S. Cellular shareholders.

Walter C.D. Carlson is the son of LeRoy T. Carlson and the brother of LeRoy T. Carlson, Jr.

Ronald E. Daly. Ronald E. Daly was last elected as a director by the holder of Series A Common Shares at the 2013 annual meeting. The following provides information on the background of Mr. Daly, including the specific factors that led to the conclusion that he should serve as a director of U.S. Cellular.

Ronald E. Daly has significant experience with U.S. Cellular and the wireless industry, having served as a director of U.S. Cellular since 2004. He is also a member of the U.S. Cellular Long-Term Incentive Compensation Committee.

Mr. Daly is currently a private investor.

Mr. Daly was the president and chief executive officer of Océ-USA Holding, Inc. between 2002 and 2004. Océ-USA Holding is the North American operations of Netherlands based Océ-N.V., a publicly-held global supplier of high-technology, digital document management and delivery solutions.

Prior to that, Mr. Daly worked for R.R. Donnelley, Inc. (NASDAQ: RRD), a global provider of printing and communications services, for 38 years, most recently as president of R.R. Donnelley Printing Solutions. His career at R.R. Donnelley included seven years as president of its telecom group, the customers of which included major telecommunications companies.

Between 2003 and 2013, Mr. Daly served as a director of SuperValu, Inc. (NYSE: SVU), a major distributor, wholesaler and retailer in the food service industry. He also served as a member of the compensation committee, governance committee and finance committee of SuperValu.

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Mr. Daly was a Trustee of Loyola University Chicago until 2014 and served as an Adjunct Professor of Strategy and Leadership thereof between 2004 and 2010. During this period, he taught strategy for MBA students and also taught a course on the subject of guiding transformational change.

Mr. Daly is also a member of the board of directors and vice chair of the AARP, Inc. and had previously served as a member of the board of directors of the AARP Foundation.

Mr. Daly has an MBA from the Loyola University School of Business.

Mr. Daly brings to the U.S. Cellular board of directors substantial experience, expertise and qualifications in management as a result of having been the president and chief executive officer of Océ-USA Holding and president of R.R. Donnelley Printing Solutions. In addition, Mr. Daly has experience and knowledge with respect to the telecommunications industry as a result of his service as a director of U.S. Cellular since 2004 and his service as the president of the R.R. Donnelley telecom group for seven years. Further, his background and attributes bring diversity to the board.

Kenneth R. Meyers. Kenneth R. Meyers was last elected as a director by the holder of Series A Common Shares at the 2013 annual meeting. The following provides information on the background of Mr. Meyers, including the specific factors that led to the conclusion that he should serve as a director of U.S. Cellular.

Kenneth R. Meyers has extensive experience with U.S. Cellular and the wireless industry, including as a director of U.S. Cellular since 1999. He has also been a member of the U.S. Cellular Pricing Committee for many years.

On June 22, 2013, Kenneth R. Meyers was appointed President and Chief Executive Officer (an executive officer) of U.S. Cellular.

Mr. Meyers has been a director of TDS since 2007. Mr. Meyers was Executive Vice President and Chief Financial Officer (an executive officer) of TDS between 2007 and 2013, and also had been Vice President and Assistant Treasurer (an executive officer) of U.S. Cellular between 2011 and June 22, 2013. He was Chief Accounting Officer (an executive officer) of U.S. Cellular and Chief Accounting Officer (an executive officer) of TDS Telecom between 2007 and 2011.

Prior to that, he was Executive Vice President Finance, Chief Financial Officer and Treasurer (an executive officer) of U.S. Cellular since 1999 and Senior Vice President-Finance (Chief Financial Officer) and Treasurer of U.S. Cellular from 1997 to 1999. Prior to that, he was the Vice President-Finance (Chief Financial Officer) and Treasurer of U.S. Cellular for more than five years. Mr. Meyers had been employed by U.S. Cellular in accounting and financial capacities since 1987.

Mr. Meyers is a Certified Public Accountant (inactive) and has an MBA from Northwestern University's J. L. Kellogg Graduate School of Management.

Mr. Meyers was a director of TDS Telecom between 2007 and 2014.

Mr. Meyers brings to the U.S. Cellular board of directors substantial experience, expertise and qualifications with respect to U.S. Cellular and the telecommunications industry as a result of his many years as a director of U.S. Cellular, TDS and TDS Telecom, as a result of his many years as Executive Vice President Finance, Chief Financial Officer and Treasurer of U.S. Cellular and his other prior positions at U.S. Cellular and as a result of having served as Executive Vice President and Chief Financial Officer of TDS. He also brings substantial experience, expertise and qualifications in management, finance and accounting as a result of such background. As the current President and Chief Executive Officer of U.S. Cellular, the board of directors considers it necessary that Mr. Meyers serve on the U.S. Cellular board to provide the board with his views on strategy and operations of U.S. Cellular.

Peter L. Sereda. Peter L. Sereda was first elected as a director by the holder of Series A Common Shares in September 2014. The following provides information on the background of Mr. Sereda, including the specific factors that led to the conclusion that he should serve as a director of U.S. Cellular.

Peter L. Sereda was appointed Senior Vice President Finance and Treasurer of TDS in 2011. Mr. Sereda is responsible for long- and short-term financing, cash and investment management, commercial and investment bank relationships, risk and pension asset management, and stock repurchases and other equity capital markets transactions for TDS and its subsidiaries, including U.S. Cellular.

Mr. Sereda joined TDS in 1998 as Vice President and Treasurer. Prior to joining TDS, Mr. Sereda held senior finance positions with Specialty Foods Corporation and Duchossois Industries.

Mr. Sereda has an MBA in finance and statistics from the University of Chicago Graduate School of Business and a BS in civil engineering and economics from the Massachusetts Institute of Technology.

Mr. Sereda brings to the U.S. Cellular board of directors substantial experience, expertise and qualifications with respect to U.S. Cellular and the telecommunications industry as a result of his employment with TDS since 1998. He also brings substantial experience, expertise and qualifications with respect to finance and capital markets as a result of his extensive experience at TDS and U.S. Cellular, Specialty Foods Corporation and Duchossois Industries.

Douglas D. Shuma. Douglas D. Shuma was first elected as a director by the holder of Series A Common Shares in September 2014. The following provides information on the background of Mr. Shuma, including the specific factors that led to the conclusion that he should serve as a director of U.S. Cellular.

Douglas D. Shuma was appointed Chief Accounting Officer of U.S. Cellular, and also of TDS Telecom, in May 2011. Mr. Shuma was appointed Senior Vice President Finance and Chief Accounting Officer of TDS in March 2015. Prior to that, he was the Senior Vice President and Controller of TDS since 2007. Pursuant to the TDS Bylaws, Mr. Shuma has been chief accounting officer of TDS since 2007 and has been the chief financial officer of TDS since 2013. Pursuant to the TDS Bylaws, Mr. Shuma is responsible for financial reporting; accounting policy and internal controls; tax functions; and budgeting, planning and analysis for TDS and its subsidiaries.

Prior to joining TDS, Mr. Shuma owned an accounting consulting company. Prior to that, he held senior accounting and finance positions with Baxter International and Caremark International. He began his career with PricewaterhouseCoopers LLP.

Mr. Shuma is a Certified Public Accountant (inactive), has an MBA from Northwestern University's J. L. Kellogg Graduate School of Management and a BS in accounting science from the University of Illinois at Urbana-Champaign.

Mr. Shuma brings to the U.S. Cellular board of directors substantial experience, expertise and qualifications with respect to U.S. Cellular and the telecommunications industry as a result of his employment with TDS since 2007. He also brings substantial experience, expertise and qualifications with respect to accounting and finance as a result of his extensive experience at TDS, Baxter International, Caremark International and PricewaterhouseCoopers LLP and as Chief Accounting Officer of U.S. Cellular and of TDS Telecom.

Cecelia D. Stewart. Cecelia D. Stewart was appointed as a director by the consent of the holder of Series A Common Shares in 2013. The following provides information on the background of Ms. Stewart, including the specific factors that led to the conclusion that she should serve as a director of U.S. Cellular.

Cecelia D. Stewart was appointed as a director following a search of candidates by an executive search firm, to fill the vacancy created on the board of directors by the retirement of LeRoy T. Carlson in 2012.

Before her retirement in April 2014, Ms. Stewart had been the president of U.S. Consumer and Commercial Banking of Citigroup Inc. (NYSE: C), a global bank which provides a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management, since 2011.

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Prior to that, Ms. Stewart was the president of the retail banking group and chief executive officer of the private bank division of Morgan Stanley (NYSE: MS), a global financial services firm providing a wide range of investment banking, securities, investment management and wealth management services, between 2009 and 2011.

Prior to that, Ms. Stewart served as executive vice president and head of retail and small business banking at Wachovia Corporation, which at the time was a publicly-held diversified financial services company (formerly NYSE: WB), from 2003 to 2008. Prior to that, she had been employed by Wachovia Corporation since 1978 in a variety of regional banking positions.

Ms. Stewart was appointed a director of First Horizon National Corporation (NYSE: FHN), a bank holding company providing regional banking and other financial services primarily in Tennessee and surrounding markets, in October 2014. She also serves as a member of this company's audit committee and trust committee.

Ms. Stewart attended the University of South Carolina and graduated from Winthrop University's Executive Master of Business Administration program with honors in 1993.

Ms. Stewart is on the Foundation Board for Winthrop University and was also previously on the board of directors and the prior Chair of the Consumer Bankers Association.

As noted above, Ms. Stewart was an officer of Citigroup for part of 2014. Citigroup provides financial and related services on a regular basis to U.S. Cellular and/or its affiliates, including TDS. Citigroup is one of the lenders under the U.S. Cellular and TDS revolving credit agreements. The amount of Citigroup's commitment to U.S. Cellular and/or TDS under the revolving credit agreements is far less than 1% of Citigroup's total consolidated liabilities. In 2014, U.S. Cellular incurred fees of approximately $0.7 million (including fees paid to Citigroup relating to a debt offering in 2014) and TDS incurred additional fees of approximately $0.1 million for services from Citigroup. The amounts incurred in 2014 were far less than 1% of Citigroup's consolidated gross revenues. All transactions with Citigroup were made in the ordinary course of business, at arms-length, and at prices and on terms customarily available. Ms. Stewart was not identified as an executive officer in Citigroup's Annual Report on Form 10-K for the year ended December 31, 2014 and, further, Ms. Stewart had no involvement in, nor received any personal benefit from, Citigroup's transactions with U.S. Cellular and/or TDS. Considering the foregoing, the U.S. Cellular board of directors does not believe that Ms. Stewart has any material direct or indirect relationships with U.S. Cellular or its affiliates unrelated to her service on the U.S. Cellular board of directors and is independent under NYSE listing standards. Even though the foregoing interests were not considered to be direct or indirect material interests to Ms. Stewart, they are disclosed voluntarily for purposes of full disclosure.

Ms. Stewart brings to the U.S. Cellular board of directors substantial experience, expertise and qualifications as a member of senior management of large, public companies and in financial services as a result of having been the president of U.S. Consumer and Commercial Banking of Citigroup, the president of the retail banking group and chief executive officer of the private bank division of Morgan Stanley and an executive vice president and head of retail and small business banking at Wachovia Corporation. Further, Ms. Stewart's background and attributes bring diversity to the board.

Kurt B. Thaus. Kurt B. Thaus was first elected as a director by the holder of Series A Common Shares in September 2014. The following provides information on the background of Mr. Thaus, including the specific factors that led to the conclusion that he should serve as a director of U.S. Cellular.

Kurt B. Thaus has been the Senior Vice President and Chief Information Officer of TDS since 2004. He is responsible for all elements of TDS' information technology function, including cybersecurity, data management, and financial and operational applications.

Prior to joining TDS, Mr. Thaus held senior leadership positions with T-Systems North America, Inc., a subsidiary of T-Systems International (Deutsche Telecom), and Waste Management, Inc.

Earlier in his career, Mr. Thaus assessed mechanical systems for many of Commonwealth Edison's nuclear power plants as an Engineering Analyst, and then Senior Systems Engineer, for Sargent & Lundy Engineers.

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Mr. Thaus holds an MS in engineering management from Northwestern University and a BS in mechanical engineering from the University of Illinois at Urbana-Champaign.

Mr. Thaus brings to the U.S. Cellular board of directors substantial experience, expertise and qualifications with respect to U.S. Cellular, the telecommunications industry, technology and IT security as a result of his many years as TDS's Senior Vice President and Chief Information Officer. He also brings substantial experience, expertise and qualifications with respect to technology, IT security and related matters as a result of his more than 30 years of successive experience in information technology, mechanical, environmental, and systems engineering, and operations leadership.

Director Emeritus

LeRoy T. Carlson. LeRoy T. Carlson, 98, was a director of U.S. Cellular between 1987 and 2012. Mr. Carlson did not stand for re-election at the 2012 annual meeting and was appointed director emeritus of U.S. Cellular at that time. LeRoy T. Carlson founded TDS in 1968, and TDS founded U.S. Cellular in 1984. Mr. Carlson was a director of TDS from its founding in 1968 until 2008, at which time he became a director emeritus of TDS. He has been the Chairman Emeritus (an executive officer) of TDS for more than five years. Mr. Carlson is the father of LeRoy T. Carlson, Jr. and Walter C.D. Carlson.

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CORPORATE GOVERNANCE

Board of Directors

The business and affairs of U.S. Cellular are managed by or under the direction of the board of directors. The board of directors consists of fourteen members. Holders of Common Shares elect 25% of the directors rounded up to the nearest whole number, or four directors based on a board size of fourteen directors. TDS, as the sole holder of Series A Common Shares, elects the remaining ten directors. As of the record date, TDS had 100% of the voting power in the election of such ten directors, approximately 74.0% of the voting power in the election of the remaining four directors and approximately 96.5% of the voting power in all other matters.

Board Leadership Structure

Under the leadership structure selected for U.S. Cellular, the same person does not serve as both the chairman and chief executive officer. LeRoy T. Carlson, Jr. serves as Chairman and, in that capacity, sets the agenda and presides over board of directors meetings, and assesses the performance of U.S. Cellular. Kenneth R. Meyers serves as President and Chief Executive Officer and is responsible for day-to-day leadership and performance of U.S. Cellular and, in that capacity, regularly confers and consults with the Chairman with respect to important strategic, operating and financial activities and decisions. This leadership structure is set forth in U.S. Cellular's Bylaws. U.S. Cellular has determined that this leadership structure is appropriate given the specific characteristics and circumstances of U.S. Cellular. In particular, U.S. Cellular is a subsidiary of, and controlled by, TDS. As a result, it is considered appropriate that LeRoy T. Carlson, Jr. (who is the President and Chief Executive Officer of TDS), should serve as the Chairman of U.S. Cellular, and that the President and Chief Executive Officer of U.S. Cellular should report to the Chairman. This permits the President and Chief Executive Officer of U.S. Cellular's largest shareholder to provide oversight with respect to the President and Chief Executive Officer who has operating authority over U.S. Cellular. In addition, this leadership structure separates the executive who is primarily responsible for the performance of the company from the person who sets the agenda for and presides over board of directors meetings at which performance of U.S. Cellular is evaluated.

Board Role in Risk Oversight

The following discloses the extent of the board of directors' role in the risk oversight of U.S. Cellular, including how the board administers its oversight function, and the effect of the board's leadership structure discussed above on risk oversight.

The U.S. Cellular board of directors is primarily responsible for oversight of the risk assessment and risk management process of U.S. Cellular. Although the U.S. Cellular board of directors can delegate this responsibility to board committees, including the Audit Committee, the U.S. Cellular board of directors has not done so, and continues to have full responsibility relating to risk oversight. Although the U.S. Cellular board of directors has oversight responsibilities, the actual risk assessment and risk management is carried out by the President and Chief Executive Officer and other officers of U.S. Cellular and reported to the board of directors.

As part of its oversight responsibilities, the U.S. Cellular board of directors reviews the Enterprise Risk Management (ERM) program which applies to TDS and all of its business units, including U.S. Cellular. This program was designed with the assistance of an outside consultant and was integrated into TDS' existing management and strategic planning processes, including such processes of U.S. Cellular. The ERM program provides a common enterprise-wide language and discipline around risk identification, quantification and mitigation.

Although the U.S. Cellular board of directors has ultimate oversight authority over risk and has not delegated such responsibility to any committees, certain U.S. Cellular committees also have certain responsibilities relating to risk.

Under NYSE listing standards, and as set forth in its charter, the Audit Committee is required to "discuss policies with respect to risk assessment and risk management." NYSE listing standards further provide that, "while it is the job of the CEO and senior management to assess and manage the listed company's exposure to risk, the audit committee must discuss guidelines and policies to govern the process by which this is handled. The audit committee should discuss the listed company's major financial risk exposures and the steps management has taken to monitor and control such exposures. The audit committee is not required to be the sole body responsible for risk assessment and management, but, as stated above, the committee must discuss guidelines and policies to govern the process by which risk assessment and management is undertaken."

Accordingly, pursuant to the foregoing requirements, the Audit Committee discusses U.S. Cellular's major financial risk exposures and the steps management has taken to monitor and control such exposures in connection with its review of financial statements and related matters on a quarterly basis.

In addition, as part of the ERM program, the Audit Committee discusses guidelines and policies to govern the process by which risk assessment and risk management are handled. The Audit Committee receives updates and discusses policies with respect to risk assessment and risk management on a regular basis. The Audit Committee is not solely responsible for ERM, but the committee discusses guidelines and policies to govern the process by which ERM is undertaken.

In addition, the Long-Term Incentive Compensation Committee, which has responsibilities relating to the equity compensation of the executive officers of U.S. Cellular, and the Chairman of U.S. Cellular, who in effect functions as the compensation committee for non-equity compensation for the executive officers of U.S. Cellular other than himself, consider risks relating to compensation of executive officers, as discussed below in the Compensation Discussion and Analysis, and risks relating to compensation policies and procedures for all employees, as discussed below under "Risks from Compensation Policies and Practices".

Furthermore, as discussed below, in March 2015, TDS established a Technology Advisory Group for TDS and its business units, including U.S. Cellular. The functions of the Technology Advisory Group include, among other things, reviewing matters relating to technology security, threats, risks and internal controls, including safeguards, vulnerabilities, preparedness, disaster recovery plans, cybersecurity-insurance and similar matters. Related to this, the U.S. Cellular board of directors established a Technology Advisory Group Committee of the board of directors, that will consist of directors who will participate in the Technology Advisory Group. See below for further information on the U.S. Cellular Technology Advisory Group Committee and the Technology Advisory Group.

U.S. Cellular believes that the leadership structure described above facilitates risk oversight because the role of the President and Chief Executive Officer, who has primary responsibility to assess and manage U.S. Cellular's exposure to risk, is separated from the role of the Chairman, who sets the agenda for and presides over board of directors meetings at which the U.S. Cellular board exercises its oversight function with respect to risk.

Director Independence and New York Stock Exchange Listing Standards

U.S. Cellular Common Shares are listed on the NYSE. Accordingly, U.S. Cellular is subject to the listing standards applicable to companies that have equity securities listed on the NYSE.

Under the listing standards of the NYSE, U.S. Cellular is a "controlled company" as such term is defined by the NYSE. U.S. Cellular is a controlled company because over 50% of the voting power for the election of directors of U.S. Cellular is held by TDS (i.e., because TDS holds 100% of the Series A Common Shares and a majority of the Common Shares, it has the voting power to elect all of the directors of U.S. Cellular). Accordingly, U.S. Cellular is exempt from certain listing standards that require listed companies that are not controlled companies to (i) have a board composed of a majority of directors who qualify as independent under the rules of the NYSE, (ii) have a compensation committee composed entirely of directors who qualify as independent under the rules of the NYSE, and (iii) have a nominating/corporate governance committee composed entirely of directors who qualify as independent under the rules of the NYSE.

As a controlled company, U.S. Cellular is required to have at least three directors who qualify as independent to serve on the Audit Committee. The U.S. Cellular Audit Committee has five members: James Barr III, J. Samuel Crowley, Paul-Henri Denuit, Harry J. Harczak, Jr. and Gregory P. Josefowicz.

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Such directors must qualify as independent under the NYSE Listed Company Manual, including Section 303A.02(a) and Section 303A.02(b). Such directors must also qualify as independent under Section 303A.06, which incorporates the independence requirements of Rule 10A-3 under Section 10A-3 of the Securities Exchange Act of 1934, as amended (collectively, "Section 10A-3"). Except as required by listing standards or SEC rule, U.S. Cellular does not have any categorical standards of independence that must be satisfied.

Pursuant to the requirements of the NYSE Listed Company Manual, the U.S. Cellular board of directors affirmatively determined that each member of the Audit Committee has no material relationship with U.S. Cellular, either directly or as a partner, shareholder or officer of an organization that has a relationship with U.S. Cellular, and that each of such persons is independent (pursuant to Section 303A.02(a), Section 303A.02(b) and Section 10A-3) considering all relevant facts and circumstances, including commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships, if any.

Such relevant facts and circumstances included the following: None of such persons is, or has been within the last three years, an employee or officer of U.S. Cellular, TDS or any other member of the TDS consolidated group ("TDS Consolidated Group"). None of such persons has any direct or indirect business relationships and/or fee arrangements with the TDS Consolidated Group. None of such persons receives, or has received within the last three years, any compensation from the TDS Consolidated Group, except compensation for his services as a director and member of board committees of U.S. Cellular and except for post-retirement benefits and payments as permitted under Section 303A.02(b) of the NYSE Listed Company Manual and Section 10A-3. None of such persons has any other relationship or arrangement with the TDS Consolidated Group except in his or her capacity as a director and member of board committees of U.S. Cellular. Each of such persons qualifies as independent under each of the categorical standards in Section 303A.02(b) of the NYSE Listed Company Manual. Each of such persons qualifies as independent under Section 10A-3 because (i) none of such persons receives any compensatory fee from any member of the TDS Consolidated Group (not including permitted compensation for his services as a director and member of board committees of U.S. Cellular or permitted post-retirement benefits and payments); and (ii) none of such persons is an "affiliated person" (as defined by the SEC) with respect to any member of the TDS Consolidated Group (because none of such persons is an executive officer, or the beneficial owner of more than 10% of any class of voting equity security, of any member of the TDS Consolidated Group). None of such persons is an "immediate family member" (as defined by Section 303A.02(b)) of any person who is not independent under Section 303A.02 of the NYSE Listed Company Manual. None of the relationships and/or fee arrangements which such persons have with the TDS Consolidated Group impair the independence of such persons for service on the Audit Committee under Section 303A.02(b) of the NYSE Listed Company Manual or Section 10A-3.

In addition, Ronald E. Daly and Cecelia D. Stewart would qualify as independent directors under the listing standards of the NYSE. As a result, seven of the fourteen incumbent directors, or 50% of the directors, have been determined to qualify or would qualify as independent under the listing standards of the NYSE.

Meetings of Board of Directors

Our board of directors held eleven meetings during 2014. Each incumbent director attended at least 75% of the total number of meetings of the board of directors held during 2014 (during the period that such person was a director) and at least 75% of the total number of meetings held by each committee of the board on which such person served (during the period that such person served).

Corporate Governance Guidelines

Under NYSE listing standards, U.S. Cellular is required to adopt and disclose corporate governance guidelines that address certain specified matters. U.S. Cellular has adopted Corporate Governance Guidelines that address (i) board of directors structure, (ii) director qualification standards, (iii) director responsibilities, orientation and continuing education, (iv) director compensation, (v) board resources and access to management and independent advisors, (vi) annual performance evaluation of the board and committees, (vii) board committees, (viii) management succession and (ix) periodic review of the guidelines. A copy of such guidelines is available on U.S. Cellular's website, *www.uscellular.com*, under About Us Investor Relations Corporate Governance Governance Guidelines.

These Guidelines provide that, once each year, the board of directors will meet to discuss corporate governance generally, including the allocation of seats between independent and non-independent directors.

Board Self-Assessment. Pursuant to these Guidelines, under the leadership of the Chairman, the board of directors performed a self-assessment and evaluated its performance and effectiveness as a board in 2014. This self-assessment covered matters relating to board meetings, board composition, committees, board oversight, and other matters. Similarly, each committee of the board of directors evaluated its performance and effectiveness in 2014.

Audit Committee

The purpose and primary functions of the Audit Committee are to (a) assist the board of directors of U.S. Cellular in its oversight of (1) the integrity of U.S. Cellular's financial statements, (2) U.S. Cellular's compliance with legal and regulatory requirements, (3) the qualifications and independence of U.S. Cellular's registered public accounting firm, and (4) the performance of U.S. Cellular's internal audit function and registered public accounting firm; (b) prepare an audit committee report as required by the rules of the SEC to be included in U.S. Cellular's annual proxy statement; and (c) perform such other functions as set forth in the U.S. Cellular Audit Committee charter, which shall be deemed to include the duties and responsibilities set forth in Section 10A-3. A copy of U.S. Cellular's Audit Committee charter is available on U.S. Cellular's website, *www.uscellular.com*, under About Us Investor Relations Corporate Governance Audit Committee Charter.

In addition, the Audit Committee has certain responsibilities relating to risk management as discussed above under "Board Role in Risk Oversight."

The Audit Committee is currently composed of five members who qualify as independent under NYSE listing standards, including Section 10A-3, as discussed above. The current members of the Audit Committee are J. Samuel Crowley (chairperson), James Barr III, Paul-Henri Denuit, Harry J. Harczak, Jr. and Gregory P. Josefowicz. The board of directors has determined that each of the members of the Audit Committee is financially literate and has "accounting or related financial management expertise" pursuant to listing standards of the NYSE.

The board determined that Harry J. Harczak, Jr. is an "audit committee financial expert" as such term is defined by the SEC.

In accordance with the SEC's safe harbor rule for "audit committee financial experts," no member designated as an audit committee financial expert shall (i) be deemed an "expert" for any other purpose or (ii) have any duty, obligation or liability that is greater than the duties, obligations and liability imposed on a member of the board or the audit committee not so designated. Additionally, the designation of a member or members as an "audit committee financial expert" shall in no way affect the duties, obligations or liability of any member of the audit committee, or the board, not so designated.

The Audit Committee held eight meetings during 2014. Certain of these meetings were joint meetings with the TDS audit committee, which regularly meets with the U.S. Cellular Audit Committee.

Pre-Approval Procedures

The Audit Committee has adopted a policy pursuant to which all audit and non-audit services provided by U.S. Cellular's principal independent registered public accounting firm must be pre-approved by the Audit Committee. Under no circumstances may U.S. Cellular's principal independent registered public accounting firm provide services that are prohibited by the Sarbanes Oxley Act of 2002 or rules issued thereunder. Non-prohibited audit related services and certain tax and other services may be provided to U.S. Cellular, subject to such pre-approval process and prohibitions. The Audit Committee

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has delegated to the chairperson of the Audit Committee the authority to pre-approve specific services by the independent registered public accounting firm. In addition, specified services have been pre-approved in detail up to specified dollar limits pursuant to the policy. All services are required to be reported to the full Audit Committee at each of its regularly scheduled meetings.

Review, Approval or Ratification of Transactions with Related Persons

The Audit Committee charter provides that the Audit Committee has responsibilities with respect to related-party transactions, as such term is defined by the rules of the NYSE. Related party transactions are addressed in Section 314.00 of the NYSE Listed Company Manual.

Section 314.00 of the NYSE Listed Company Manual states that "Related party transactions normally include transactions between officers, directors, and principal shareholders and the company." In general, "related party transactions" would include transactions required to be disclosed in U.S. Cellular's 2015 Proxy Statement pursuant to Item 404 of Regulation S-K of the SEC. Pursuant to Item 404, U.S. Cellular is required to disclose any transaction, which includes any financial transaction, arrangement, or relationship (including any indebtedness or guarantee of indebtedness) or a series of transactions, that has taken place since the beginning of U.S. Cellular's last fiscal year or any currently proposed transaction in which: (1) U.S. Cellular was or is to be a participant, (2) the amount involved exceeds $120,000 and (3) any "related person" had or will have a direct or indirect material interest in the transaction during any part of the fiscal year. For this purpose, in general, the term "related person" includes any director or executive officer of U.S. Cellular, any nominee for director, any beneficial owner of more than five percent of any class of U.S. Cellular's voting securities and any "immediate family member" of such persons, within the meaning of Item 404.

Section 314.00 of the NYSE Listed Company Manual provides that "Each related party transaction is to be reviewed and evaluated by an appropriate group within the listed company involved. While the NYSE does not specify who should review related party transactions, the NYSE believes that the Audit Committee or another comparable body might be considered as an appropriate forum for this task. Following the review, the company should determine whether or not a particular relationship serves the best interest of the company and its shareholders and whether the relationship should be continued or eliminated."

Accordingly, pursuant to such provisions, the U.S. Cellular Audit Committee has responsibilities over transactions that are deemed to be related-party transactions under Section 314.00 of the NYSE Listed Company Manual. Other than the foregoing, U.S. Cellular has no related party policies and procedures relating to (i) the types of transactions that are covered by such policies and procedures; (ii) the standards to be applied pursuant to such policies and procedures; or (iii) the persons or groups of persons on the board of directors or otherwise who are responsible for applying such policies and procedures.

See Executive and Director Compensation Compensation Committee Interlocks and Insider Participation Certain Relationships and Related Transactions for a discussion of any related party transactions since the beginning of the last fiscal year.

Compensation Committee

U.S. Cellular does not have a formal standing compensation committee for executive compensation, except that long-term equity compensation of executive officers is approved by the Long-Term Incentive Compensation Committee, as discussed below. LeRoy T. Carlson, Jr., Chairman of U.S. Cellular, functions as the compensation committee for all matters not within the authority of the Long-Term Incentive Compensation Committee, but does not do so pursuant to a charter. LeRoy T. Carlson, Jr. does not approve any compensation to himself as Chairman. Mr. Carlson receives no compensation directly from U.S. Cellular. Mr. Carlson is compensated by TDS in connection with his services for TDS and TDS subsidiaries, including U.S. Cellular. A portion of Mr. Carlson's compensation paid by TDS is allocated to U.S. Cellular by TDS, along with other expenses of TDS. This allocation by TDS to U.S. Cellular is done in the form of a single allocation of cost pursuant to the Intercompany Agreement discussed below under "Intercompany Agreement." Kenneth R. Meyers, President and Chief Executive Officer of U.S.

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Cellular, makes recommendations with respect to compensation for the named executive officers other than himself. For further information, see "Compensation Discussion and Analysis" below.

The basis for the view of the board of directors that a formal independent compensation committee for all executive compensation is unnecessary is that U.S. Cellular is controlled by TDS. As a controlled company, U.S. Cellular is not required to have an independent compensation committee under listing standards of the NYSE. As a controlled company, except with respect to matters within the authority of the Long-Term Incentive Compensation Committee, U.S. Cellular considers it sufficient and appropriate that its Chairman, LeRoy T. Carlson, Jr., who is a director and president and chief executive officer of TDS, approves compensation decisions for U.S. Cellular. As a result of Mr. Carlson's position with TDS, which is the majority shareholder of U.S. Cellular, Mr. Carlson represents the interests of all shareholders of U.S. Cellular in his compensation decisions. In addition, Mr. Carlson is compensated by TDS and does not receive any compensation directly from U.S. Cellular.

Long-Term Incentive Compensation Committee

Although it is not required to do so under NYSE listing standards, U.S. Cellular has a Long-Term Incentive Compensation Committee comprised solely of directors who qualify as independent under the rules of the NYSE. In addition, the Long-Term Incentive Compensation Committee comprises at least two non-employee members of the U.S. Cellular board of directors, each of whom is an "outside director" within the meaning of section 162(m) of the Internal Revenue Code of 1986, as amended, and a "Non-Employee Director" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended.

Under the Dodd-Frank Act, the SEC directed the NYSE to adopt listing standards prohibiting the listing of any equity security of an issuer that does not comply with specified listing requirements, including with respect to the independence of members of the compensation committee of the board of directors of such issuer, except that the Dodd-Frank Act expressly provides that this requirement does not apply to an issuer that is a controlled company. In 2013, the NYSE adopted listing standards as required pursuant to such SEC direction. Although such listing standards are not applicable to U.S. Cellular because it is a controlled company, the members of the Long-Term Incentive Compensation Committee would qualify as independent under these listing standards of the NYSE. In particular, each member of the Long-Term Incentive Compensation Committee is independent under the general NYSE listing standards as noted under "Director Independence and New York Stock Exchange Listing Standards" above, none of such members receives any compensation from the TDS Consolidated Group except permitted compensation for services as a U.S. Cellular director and committee member, and none of such members is affiliated with the TDS Consolidated Group by reason of being an executive officer, or the beneficial owner of more than 10% of any class of voting equity security, of any member of the TDS Consolidated Group.

A copy of the Long-Term Incentive Compensation Committee charter is available on U.S. Cellular's website, *www.uscellular.com*, under About Us Investor Relations Corporate Governance Long-Term Incentive Compensation Committee Charter.

The members of the Long-Term Incentive Compensation Committee currently are Paul-Henri Denuit (chairperson), J. Samuel Crowley, Ronald E. Daly and Cecelia D. Stewart.

The Long-Term Incentive Compensation Committee held three meetings during 2014.

The primary functions of the Long-Term Incentive Compensation Committee are: to discharge the board of directors' responsibilities relating to the long-term equity-based compensation of the executive officers and other key employees of U.S. Cellular; to perform all functions designated to be performed by a committee of the board of directors under U.S. Cellular's long-term incentive plans and programs; to review and recommend to the board of directors the long-term incentive plans and programs for employees of U.S. Cellular (including changes thereto); and to report on long-term equity-based compensation in U.S. Cellular's annual proxy statement or otherwise to the extent required under any applicable rules and regulations.

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The charter of the Long-Term Incentive Compensation Committee provides that the committee will interpret and administer U.S. Cellular's long-term incentive plans and programs, including designating which affiliates of U.S. Cellular may have employees eligible to receive grants thereunder, establishing rules and regulations relating thereto, determining if someone is disabled for purposes thereof, approving persons to whom an award may be transferred, selecting employees who will be granted awards, establishing performance measures and restriction periods, and determining the form, amount and timing of each grant of an award, the number of shares of stock subject to an award, the purchase price or base price per share of stock associated with an award, the exercise price of an option award, the time and conditions of exercise or settlement of an award and all other terms and conditions of an award, including, without limitation, the form and terms of the agreement evidencing an award.

The Long-Term Incentive Compensation Committee may delegate some or all of its responsibilities and duties with respect to U.S. Cellular's long-term incentive plans and programs under the foregoing paragraph to the Chairman of U.S. Cellular or any executive officer of U.S. Cellular as the committee deems appropriate, to the extent permitted by law and applicable listing standards and the applicable long-term incentive plan or program, but not regarding any award to officers of U.S. Cellular who are subject to the requirements of Section 16 of the Securities Exchange Act of 1934, as amended.

The officers who are subject to the Section 16 requirements are set forth under the caption "Executive Officers" below in this 2015 Proxy Statement. Except with respect to such persons, U.S. Cellular's long-term incentive plan does not currently restrict the ability of the Long-Term Incentive Compensation Committee to delegate its power and authority. As a result, currently the Long-Term Incentive Compensation Committee may delegate its power and authority to the Chairman or any executive officer of U.S. Cellular except with respect to the long-term equity compensation of the persons identified below under the caption "Executive Officers".

The Long-Term Incentive Compensation Committee has not delegated any authority with respect to the executive officers identified in this 2015 Proxy Statement.

U.S. Cellular's Human Resources Department supports the Chairman and the Long-Term Incentive Compensation Committee in their functions. In connection therewith, U.S. Cellular utilizes the services of a compensation consultant. See Compensation Discussion and Analysis below for information about U.S. Cellular's compensation consultant, which information is incorporated by reference herein.

Director Compensation

It is the view of the U.S. Cellular board of directors that director compensation should be the responsibility of the full board of directors. Therefore, this is approved by the full board of directors rather than by a committee of the board of directors. U.S. Cellular does not have any stock ownership guidelines for directors.

Pricing Committee

U.S. Cellular has a Pricing Committee, consisting of LeRoy T. Carlson, Jr. as Chairman, and Kenneth R. Meyers as the other regular member. In addition, each of Steven T. Campbell, Walter C.D. Carlson and Peter L. Sereda are alternate members. The Pricing Committee does not have a charter. Pursuant to resolutions of the U.S. Cellular board of directors, the Pricing Committee is authorized to take certain action with respect to financing and capital transactions of U.S. Cellular, such as the issuance, redemption or repurchase of debt or the repurchase of shares of capital stock of U.S. Cellular.

Technology Advisory Group Committee

In March 2015, the board of directors established the Technology Advisory Group Committee of the board of directors, to consist of directors who will participate in the Technology Advisory Group. The members of the U.S. Cellular Technology Advisory Group Committee will consist of U.S. Cellular's Chairman, together with two non-management members of the board of directors. The purpose of the Technology Advisory Group is to review, monitor and inform the board of directors on technology matters, including spectrum, radio transmission, end user equipment, network technology, information technology, security, data storage, retrieval, and handling, and other matters relating to technology used or proposed to be used by TDS' business units (including U.S. Cellular) and by their customers and by competitors of TDS' business units and by their customers, as well as developments and trends in the communications industry relating to technology. The Technology Advisory Group does not have authority to take action with respect to any technology matter, but serves solely in an informational and advisory role. The U.S. Cellular Technology Advisory Group Committee and the Technology Advisory Group will report to the board of directors with respect to U.S. Cellular technology matters.

Special Committee

In 2013, U.S. Cellular established a Special Committee, consisting of Harry J. Harczak, Jr. (Chair), J. Samuel Crowley, Paul-Henri Denuit, and Gregory P. Josefowicz. The Special Committee was established to consider, negotiate and, if appropriate, approve a proposed acquisition of spectrum and certain related wireless assets from Airadigm Communications, Inc., a subsidiary of TDS, as discussed below under "Certain Relationships and Related Transactions." As discussed below, this transaction was approved by the Special Committee and completed in 2014. Accordingly, the Special Committee has fulfilled its requirements and is no longer active.

Other Corporate Governance Information

U.S. Cellular does not have a corporate governance/nominating committee and does not have a corporate governance/nominating committee charter. Under listing standards of the NYSE, U.S. Cellular is exempt from the requirement to have a corporate governance/nominating committee comprised solely of independent directors because it is a controlled company as such term is defined by the NYSE. Instead, the entire board of directors participates in the consideration of director nominees.

As noted above, pursuant to the Corporate Governance Guidelines, once each year, the board of directors meets to discuss corporate governance generally, including the allocation of seats between independent and non-independent directors. In addition, each year, the board of directors identifies and reviews the desired skills, backgrounds, and characteristics for potential new board members. In its annual board assessments, the full board of directors also considers its composition and discusses expertise that may be needed in the future. In connection with the nominations of directors for election, the board of directors considers the tenure, qualifications and expertise of all of the incumbent directors. The board of directors also considers the appropriate composition of each of the committees of the board of directors on an annual basis.

U.S. Cellular may use various sources to identify potential candidates for the board of directors, including an executive search firm. The U.S. Cellular board of directors does not have a formal policy with regard to the consideration of director candidates recommended by shareholders. Because TDS has sole voting power in the election of directors elected by the holder of Series A Common Shares and a majority of the voting power in the election of directors elected by holders of Common Shares, nominations of directors for election by the holders of Series A Common Shares and Common Shares are generally based on the recommendation of TDS. With respect to candidates for director to be elected by the holders of Common Shares, the U.S. Cellular board may from time to time informally consider candidates recommended by shareholders who hold a significant number of Common Shares, in addition to the recommendation of TDS. Although the U.S. Cellular board has no formal procedures to be followed by shareholders to recommend candidates for director, shareholders who desire to nominate directors must follow the procedures set forth in U.S. Cellular's Bylaws.

Except to the extent provided in the next two paragraphs, the U.S. Cellular board of directors does not have any specific, minimum qualifications that the board believes must be met by a nominee for a position on the U.S. Cellular board of directors, or any specific qualities or skills that the board believes are necessary for one or more of the U.S. Cellular directors to possess. The U.S. Cellular board believes that substantial judgment, diligence and care are required to identify and select qualified persons as directors and does not believe that it would be appropriate to place limitations on its own discretion. The U.S. Cellular board of directors has consistently sought to nominate to the board of directors eminently qualified individuals whom the board believes would provide substantial benefit and guidance to U.S. Cellular.

Considering the importance of Federal Communications Commission ("FCC") licenses to U.S. Cellular, the U.S. Cellular Bylaws provide that a candidate will not be eligible for election or continued service as a director unless he or she is eligible to serve as a director of a company that controls licenses granted by the FCC, as determined by the board of directors with the advice of counsel. Another qualification requirement provides that a candidate will not be eligible for election or continued service as a director if he or she is or becomes affiliated with, employed by or a representative of, or has or acquires a material personal involvement with, or material financial interest in, a Business Competitor (as defined in the U.S. Cellular Bylaws), as determined by the board of directors. Another qualification requirement provides that a candidate will not be eligible for election or continued service as a director if, as determined by the board of directors with the advice of counsel, (i) such candidate's election as a director would violate federal, state or foreign law or applicable stock exchange requirements (other than those related to independence) or (ii) such candidate has been convicted, including a plea of guilty or nolo contendere, of any felony, or of any misdemeanor involving moral turpitude.

Section 1.15 of the U.S. Cellular Bylaws provides that a person properly nominated by a shareholder for election as a director shall not be eligible for election as a director unless he or she signs and returns to the Secretary of U.S. Cellular, within fifteen days of a request therefor, written responses to any questions posed by the Secretary, that are intended to (i) determine whether such person may qualify as independent and would qualify to serve as a director of U.S. Cellular under rules of the FCC, and (ii) obtain information that would be disclosed in a proxy statement with respect to such person as a nominee for election as a director and other material information about such person.

The provisions in the preceding two paragraphs were added to the U.S. Cellular Bylaws when they were amended and restated in August 2014. These amended and restated Bylaws also include other changes to the procedures by which shareholders may nominate candidates to the U.S. Cellular board of directors. In particular: (i) Section 1.13 relating to the ability of a shareholder to nominate directors at an annual meeting of shareholders was revised and expanded from the version in the prior Bylaws to require a shareholder nominating a director to provide more information about the proposed nominee(s) and about itself, related persons and any persons acting in concert with such shareholder; (ii) Section 1.14 was added to specify the information required pursuant to Section 1.13; (iii) Section 1.16 was added requiring any shareholder submitting a proposal or nominating a director (and related persons and persons acting in concert with such shareholder) to provide information about any derivatives and similar instruments that such shareholder and other persons hold with respect to any U.S. Cellular securities, including short interests, vote buying or selling interests and all other derivative interests such as swaps, options or similar rights; and (iv) Section 1.17 was added to provide certain definitions and interpretive matters relating to the foregoing sections. The amended and restated Bylaws were filed by U.S. Cellular on a Current Report on Form 8-K dated August 19, 2014.

The U.S. Cellular board of directors does not have a policy with regard to the consideration of diversity in identifying director nominees. However, as reflected in its Code of Business Conduct, U.S. Cellular values diversity and does not discriminate on the basis of gender, age, race, color, sexual orientation, religion, ancestry, national origin, marital status, disability, military or veteran status or citizenship status. In addition, in considering whether to nominate individuals as director candidates, the U.S. Cellular board of directors takes into account all facts and circumstances, including diversity. For this purpose, diversity broadly means a variety of backgrounds, experience, skills, education, attributes, perspectives and other differentiating characteristics. U.S. Cellular believes that it is desirable for a board to have directors who can bring the benefit of diverse backgrounds, experience, skills and other characteristics to permit the board to have a variety of views and insights. Accordingly, the U.S. Cellular board of directors considers how director candidates can contribute to board diversity as one of the many factors it considers in identifying nominees for director.

In general, in determining whether to nominate incumbent directors for re-election, the U.S. Cellular board of directors considers all facts and circumstances, including the board of directors' view of how each director has performed his or her duties. In the event of a vacancy on the board of a director

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elected by TDS as the sole holder of Series A Common Shares, nominations are based on the recommendation of TDS. In the event of a vacancy on the board of a director elected by holders of Common Shares, U.S. Cellular may use various sources to identify potential candidates, including an executive search firm. In addition, the U.S. Cellular board of directors may consider recommendations by TDS and other shareholders who hold a significant number of Common Shares. Potential candidates are initially screened by the Chairman and by other persons as the Chairman designates. Following this process, when appropriate, information about the candidate is presented to and discussed by the full board of directors.

In 2014, the board of directors increased the size of the board from ten to fourteen members and four new persons were appointed to the board of directors by TDS as the sole holder of Series A Common Shares. Accordingly, there are currently fourteen directors. Each of the nominees approved by the U.S. Cellular board for election at the 2015 Annual Meeting is an incumbent director who is standing for re-election and is being recommended for election by the full board of directors.

From time to time, U.S. Cellular may pay a fee to an executive search firm to identify and evaluate or assist in identifying and evaluating potential candidates for election as directors. U.S. Cellular did not pay a fee in 2014 to a search firm relating to potential candidates for election as directors.

Shareholder Communication with Directors

Shareholders or other interested parties may send communications to the U.S. Cellular board of directors, to the non-management directors, to the independent directors or to specified individual directors of U.S. Cellular at any time. Shareholders or other interested parties should direct their communication to such persons or group in care of the Secretary of U.S. Cellular, c/o Telephone and Data Systems, Inc., 30 N. LaSalle St., Chicago IL 60602. Any shareholder communications that are addressed to the board of directors, the non-management directors, the independent directors or specified individual directors will be delivered by the Secretary to such persons or group.

Information on communicating with directors is available on U.S. Cellular's website, *www.uscellular.com*, under About Us Investor Relations Corporate Governance Contact the Board.

Non-Management Directors

As required by NYSE listing standards, the non-management directors of U.S. Cellular meet at regularly scheduled executive sessions without management. Walter C.D. Carlson, who is a non-management director, presides at all meetings of the non-management directors of U.S. Cellular. In addition, as required by NYSE listing standards, the independent directors of U.S. Cellular meet at least once per year in an executive session without management or directors who are not independent.

U.S. Cellular Policy on Attendance of Directors at Annual Meeting of Shareholders

All directors are invited and encouraged to attend each annual meeting of shareholders, which is normally followed by the annual meeting of the board of directors. In general, all directors attend each annual meeting of shareholders unless they are unable to do so because of unavoidable commitments or intervening events. All of the persons serving as directors at the time attended the 2014 annual meeting.

Code of Ethics for Directors

As required by Section 303A.10 of the NYSE Listed Company Manual, U.S. Cellular has adopted a Code of Business Conduct and Ethics for Officers and Directors. This code has been posted to U.S. Cellular's website, *www.uscellular.com*, under About Us Investor Relations Corporate Governance Officer & Director Code of Conduct.

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EXECUTIVE OFFICERS

The following executive officers of U.S. Cellular were identified in the above tables regarding the election of directors: LeRoy T. Carlson, Jr., Chairman; Kenneth R. Meyers, President and Chief Executive Officer, Steven T. Campbell, Executive Vice President Finance, Chief Financial Officer and Treasurer and Douglas D. Shuma, Chief Accounting Officer. The following table identifies the other executive officers who are currently serving but are not identified in the above tables regarding the election of directors. The age of the following persons is as of the date of this 2015 Proxy Statement.

Name	Age	Position with U.S. Cellular
Jay M. Ellison	62	Executive Vice President Operations
Michael S. Irizarry	53	Executive Vice President and Chief Technology Officer Engineering and Information Services
Deirdre C. Drake	49	Senior Vice President Chief Human Resources Officer
Edward C. Perez	48	Senior Vice President Sales

Jay M. Ellison. Jay M. Ellison was appointed Executive Vice President Operations in May 2014. Prior to that, he was Executive Vice President Sales and Customer Service since 2013. Prior to that, he had been retired since January 1, 2010. Prior to his retirement, he had been Executive Vice President and Chief Operating Officer of U.S. Cellular from 2005 through 2009. He first joined U.S. Cellular in 2000 as Executive Vice President Operations.

Michael S. Irizarry. Michael S. Irizarry was appointed Executive Vice President and Chief Technology Officer Engineering and Information Services in May 2011. Prior to that, he was Executive Vice President Engineering and Chief Technology Officer since 2003. He joined U.S. Cellular as Executive Vice President and Chief Technology Officer in 2002.

Deirdre C. Drake. Deirdre C. Drake was appointed Senior Vice President Chief Human Resources Officer in April 2014. Prior to that, she was managing director and chief human resources officer for Bank of Montreal Capital Markets between 2012 and April 2014. Prior to that, she was senior vice president, human resources, of BMO Harris Bank, N.A., for more than five years.

Edward C. Perez. Edward C. Perez was appointed Senior Vice President Sales in July 2014. Prior to that, he was Vice President Business Strategy since May 2013. Prior to that, he served in several leadership roles since joining U.S. Cellular in 1997, most recently as Vice President of Marketing and Sales Operations.

All of our executive officers devote all of their employment time to the affairs of U.S. Cellular, except as follows: LeRoy T. Carlson, Jr., Chairman and Douglas D. Shuma, Chief Accounting Officer. LeRoy T. Carlson, Jr., who is employed by TDS as its President and Chief Executive Officer and Douglas D. Shuma, who is employed by TDS as its Senior Vice President Finance and Chief Accounting Officer, devote a portion of their employment time to the affairs of U.S. Cellular.

Codes of Business Conduct and Ethics Applicable to Officers

As required by Section 303A.10 of the NYSE Listed Company Manual, U.S. Cellular has adopted a Code of Business Conduct and Ethics for Officers and Directors that also complies with the definition of a "code of ethics" as set forth in Item 406 of Regulation S-K of the SEC. The foregoing code has been posted to U.S. Cellular's website, *www.uscellular.com*, under About Us Investor Relations Corporate Governance Officer & Director Code of Conduct.

In addition, U.S. Cellular has adopted a broad Code of Business Conduct that is applicable to all officers and employees of U.S. Cellular and its subsidiaries. The foregoing code has been posted to U.S. Cellular's website, *www.uscellular.com*, under About Us Investor Relations Corporate Governance Code of Conduct.

U.S. Cellular intends to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding any amendment to any of the foregoing codes by posting such information to U.S. Cellular's website. Any waivers of any of the foregoing codes for directors or executive officers will be approved by U.S. Cellular's board of directors or an authorized committee thereof, as applicable, and disclosed in a Form 8-K that is filed with the SEC within four business days of such waiver. There were no such waivers in 2014.

PROPOSAL 2
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

What am I being asked to vote on in Proposal 2?

In Proposal 2, we are requesting shareholders to ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015. This proposal gives our shareholders the opportunity to express their views on U.S. Cellular's independent registered public accounting firm for the current fiscal year.

How does the board of directors recommend that I vote on this proposal?

Your board of directors unanimously recommends a vote **FOR** the approval of the ratification of the selection of PricewaterhouseCoopers LLP as U.S. Cellular's independent registered public accounting firm for the fiscal year ending December 31, 2015.

We anticipate continuing the services of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the current fiscal year. Representatives of PricewaterhouseCoopers LLP, which served as our independent registered public accounting firm for the last fiscal year, are expected to be present at the 2015 Annual Meeting and will have the opportunity to make a statement and to respond to appropriate questions raised by shareholders at the 2015 Annual Meeting or submitted in writing prior thereto.

Is this vote binding on the board of directors?

This vote is an advisory vote only and, therefore, it will not bind U.S. Cellular or our board of directors or Audit Committee. We are not required to obtain shareholder ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm by our Bylaws or otherwise. However, we have elected to seek such ratification by the affirmative vote of the holders of a majority of the votes cast by shares entitled to vote with respect to such matter at the 2015 Annual Meeting.

Under the Intercompany Agreement with TDS discussed below, U.S. Cellular has agreed to engage the firm of independent registered public accountants selected by TDS for purposes of auditing U.S. Cellular's financial statements, including the financial statements of our direct and indirect subsidiaries, and providing certain other services. TDS has engaged PricewaterhouseCoopers LLP for such purposes.

Should the shareholders fail to ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm, the Audit Committee will review whether to retain such firm for the fiscal year ending December 31, 2015, subject to U.S. Cellular's obligations under the Intercompany Agreement.

Your board of directors unanimously recommends a vote "FOR" the approval of Proposal 2.

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FEES PAID TO PRINCIPAL ACCOUNTANTS

The following sets forth the aggregate fees (including expenses) billed by U.S. Cellular's principal accountants, PricewaterhouseCoopers LLP, for 2014 and 2013:

	2014	2013
Audit Fees(1)	$ 2,252,649	$ 2,878,276
Audit Related Fees(2)	378,705	336,316
Tax Fees(3)		
All Other Fees(4)	69,737	1,265,513
Total Fees(5)	$ 2,701,091	$ 4,480,105

(1) Represents the aggregate fees billed by PricewaterhouseCoopers LLP for professional services rendered for the audit of the annual financial statements included in U.S. Cellular's Annual Report on Form 10-K ("Form 10-K") for each of these years and the reviews of the financial statements included in U.S. Cellular's Forms 10-Q for those years, including the attestation and report relating to internal control over financial reporting. Also includes fees for services that are normally incurred in connection with statutory and regulatory filings or engagements, such as comfort letters, statutory audits, subsidiary audits, attest services, consents, and review of documents filed with the SEC.

(2) Represents the aggregate fees billed by PricewaterhouseCoopers LLP for assurance and related services that are reasonably related to the performance of the audit or review of U.S. Cellular's financial statements that are not reported under Audit Fees, if any. In 2014 and 2013, this amount represents fees billed for audits of subsidiaries.

(3) Represents the aggregate fees billed by PricewaterhouseCoopers LLP for tax compliance, tax advice, and tax planning, if any.

(4) Represents the aggregate fees billed by PricewaterhouseCoopers LLP for services other than services described in Note (1), (2) or (3), if any. In 2014 and 2013, this represents Systems Implementation Assessment advisory work relating to U.S. Cellular's new billing and operational support system (B/OSS) project.

(5) Amounts do not include fees billed by PricewaterhouseCoopers LLP directly to TDS. Although TDS bills U.S. Cellular an overall allocation of cost pursuant to the Intercompany Agreement discussed under "Other Relationships and Related Transactions Intercompany Agreement" below, TDS does not specifically identify and allocate fees of PricewaterhouseCoopers LLP to U.S. Cellular.

See "Corporate Governance Audit Committee Pre-Approval Procedures" above for a description of the Audit Committee's pre-approval policies and procedures with respect to U.S. Cellular's independent registered public accounting firm.

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AUDIT COMMITTEE REPORT

This report is submitted by the current members of the Audit Committee of the board of directors of U.S. Cellular identified below. The Audit Committee operates under a written charter adopted by the U.S. Cellular board of directors, a copy of which is available on U.S. Cellular's website, *www.uscellular.com*, under About Us Investor Relations Corporate Governance Audit Committee Charter.

Management is responsible for U.S. Cellular's internal controls and the financial reporting process. U.S. Cellular utilizes services from the TDS internal audit staff, which performs testing of internal controls and the financial reporting process. U.S. Cellular's independent registered public accounting firm is responsible for performing an independent audit of U.S. Cellular's consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States) (the "PCAOB") and issuing a report thereon. The Audit Committee's responsibility is to monitor and oversee these processes.

In this context, the Audit Committee held meetings with management, the TDS internal audit staff and representatives of PricewaterhouseCoopers LLP, U.S. Cellular's independent registered public accounting firm for 2014. In these meetings, the Audit Committee reviewed and discussed the audited financial statements as of and for the year ended December 31, 2014. Management represented to the Audit Committee that U.S. Cellular's consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America, and the Audit Committee reviewed and discussed the consolidated financial statements with management and representatives of PricewaterhouseCoopers LLP.

The discussions with PricewaterhouseCoopers LLP also included the matters required to be discussed by PCAOB Auditing Standard No. 16, Communications with Audit Committees, relating to information regarding the scope and results of the audit. The Audit Committee also received from PricewaterhouseCoopers LLP written disclosures and a letter regarding its independence as required by applicable requirements of the PCAOB regarding the independent accountant's communications with the Audit Committee concerning independence, and this information was discussed with PricewaterhouseCoopers LLP.

Based on and in reliance upon these reviews and discussions, the Audit Committee recommended to the board of directors that the audited financial statements as of and for the year ended December 31, 2014 be included in U.S. Cellular's Form 10-K for the year ended December 31, 2014.

In addition to the foregoing report required by SEC rules, the following represents supplemental information voluntarily disclosed by the Audit Committee:

The Audit Committee holds regularly scheduled meetings in person on a quarterly basis, and also holds quarterly meetings by teleconference to review and approve the financial results for the immediately preceding period. The Audit Committee reviews U.S. Cellular's Quarterly and Annual Reports on Form 10-Q and Form 10-K, respectively, prior to filing with the SEC. The Audit Committee's agenda for meetings is established by the Audit Committee's chairperson and the TDS Vice President of Internal Audit.

During 2014, at each of its regularly scheduled meetings, the Audit Committee met with the senior members of U.S. Cellular's financial management team. Additionally, the Audit Committee had separate private sessions, during its regularly scheduled meetings, with U.S. Cellular management, TDS' Vice President of Internal Audit, U.S. Cellular's General Counsel, and representatives of PricewaterhouseCoopers LLP, at which candid discussions regarding financial management, legal, accounting, auditing and internal control issues took place.

The Audit Committee is updated periodically on management's process to assess the adequacy of U.S. Cellular's system of internal control over financial reporting, the framework used to make the assessment and management's conclusions on the effectiveness of U.S. Cellular's internal control over financial reporting. The Audit Committee also discussed with PricewaterhouseCoopers LLP U.S. Cellular's internal control assessment process, management's assessment with respect thereto and its evaluation of U.S. Cellular's system of internal control over financial reporting.

The Audit Committee reviewed with senior members of management, including the TDS Vice President of Internal Audit and the U.S. Cellular General Counsel, U.S. Cellular's policies and procedures with respect to risk assessment and risk management. The overall adequacy and effectiveness of U.S. Cellular's legal, regulatory and ethical compliance programs, including U.S. Cellular's Code of Business Conduct, were also reviewed.

The Audit Committee evaluates the performance of PricewaterhouseCoopers LLP, including the senior audit engagement team, each year and determines whether to reengage PricewaterhouseCoopers LLP or consider other audit firms, subject to U.S. Cellular's obligations under the Intercompany Agreement with TDS. Under this agreement, U.S. Cellular has agreed to engage the firm of independent registered public accountants selected by TDS for purposes of auditing U.S. Cellular's financial statements, including the financial statements of our direct and indirect subsidiaries, and providing certain other services. In performing its evaluation, the Audit Committee considers the quality and efficiency of the services provided by the auditors, the auditors' capabilities and the auditors' technical expertise and knowledge of U.S. Cellular's operations and industry. Based on this evaluation, the Audit Committee decided to engage PricewaterhouseCoopers LLP as U.S. Cellular's independent registered public accountants for the year ending December 31, 2015, and reviewed with senior members of U.S. Cellular's financial management team, PricewaterhouseCoopers LLP and the TDS Vice President of Internal Audit, the overall audit scope and plans, the results of internal and external audit examinations, evaluations by management and PricewaterhouseCoopers LLP of U.S. Cellular's internal controls over financial reporting and the quality of U.S. Cellular's financial reporting. Although the Audit Committee has the sole authority to appoint the independent registered public accounting firm, subject to U.S. Cellular's obligations under the Intercompany Agreement with TDS, U.S. Cellular anticipates that it will continue to request shareholders to ratify the selection of the independent registered public accounting firm at annual meetings of shareholders. Proposal 2 in this 2015 Proxy Statement includes a proposal for consideration at the 2015 Annual Meeting to shareholders to ratify the selection of PricewaterhouseCoopers LLP as U.S. Cellular's independent registered public accountants for the year ending December 31, 2015.

In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed with management and PricewaterhouseCoopers LLP the audited financial statements of U.S. Cellular, including the quality, not just the acceptability, of the financial reporting, the reasonableness of significant accounting judgments and estimates, the clarity of disclosures in the financial statements, and the assessment of U.S. Cellular's internal controls over financial reporting.

The Audit Committee considered and concluded that the provision of non-audit services by PricewaterhouseCoopers LLP to U.S. Cellular during 2014 was compatible with their independence.

In performing all of these functions, the Audit Committee acts in an oversight capacity. In its oversight role, the Audit Committee relies on the work and assurances of U.S. Cellular management, which has the primary responsibility for establishing and maintaining adequate internal control over financial reporting and for preparing the financial statements and other reports, and of PricewaterhouseCoopers LLP, which is engaged to audit and report on the consolidated financial statements of U.S. Cellular and its subsidiaries and the effectiveness of U.S. Cellular's internal control over financial reporting.

By the members of the Audit Committee of the board of directors of U.S. Cellular:

J. Samuel Crowley Chairperson	James Barr III	Paul-Henri Denuit	Harry J. Harczak, Jr.	Gregory P. Josefowicz

PROPOSAL 3
ADVISORY VOTE ON EXECUTIVE COMPENSATION

What am I being asked to vote on in Proposal 3?

In Proposal 3, we are providing shareholders with an opportunity to vote, on an advisory basis, on the compensation of our named executive officers as disclosed in this 2015 Proxy Statement pursuant to compensation disclosure rules set forth in Item 402 of Regulation S-K of the SEC (which disclosure includes the Compensation Discussion and Analysis, the Summary Compensation Table and the other related tables and disclosure). This vote is required to be submitted to shareholders pursuant to SEC rules adopted under provisions in the Dodd-Frank Act codified in Section 14A of the Securities Exchange Act of 1934, as amended. The advisory vote on executive compensation described in this proposal is commonly referred to as a "Say-on-Pay" vote.

U.S. Cellular is required to request shareholders to vote, on an advisory basis, on the frequency of holding Say-on-Pay votes, commonly referred to as a "Say-on-Frequency" vote, at least once every six years. U.S. Cellular held a Say-on-Frequency vote at the 2011 annual meeting. At that meeting, shareholders voted by a substantial majority to hold a Say-on-Pay vote every year. Based on the results of the Say-on-Frequency vote in 2011, the U.S. Cellular board of directors adopted a policy to hold the Say-on-Pay vote every year, as was previously disclosed in U.S. Cellular's Current Report on Form 8-K dated May 17, 2011. Accordingly, U.S. Cellular is holding a Say-on-Pay vote every year unless and until this policy is changed. After the Say-on-Pay vote in 2015, the next Say-on-Pay vote will be held in 2016. U.S. Cellular intends to next submit the Say-on-Frequency vote to shareholders at the 2017 annual meeting.

This proposal gives our shareholders the opportunity to express their views on the overall compensation of our named executive officers and the philosophy, policies and practices described in this 2015 Proxy Statement.

How does the board of directors recommend that I vote on this proposal?

Your board of directors unanimously recommends a vote **FOR** approval of the Say-on-Pay proposal.

U.S. Cellular believes that its executive compensation program is reasonable, competitive and strongly focused on pay for performance. U.S. Cellular's compensation objectives for executive officers are to support the overall business strategy and objectives, attract and retain high-quality management, link compensation to both individual and company performance, and provide compensation that is both competitive and consistent with our financial performance.

Consistent with these goals and as disclosed in the Compensation Discussion and Analysis, the Chairman and the Long-Term Incentive Compensation Committee have developed and approved an executive compensation philosophy to provide a framework for U.S. Cellular's executive compensation program featuring the policies and practices described in the Executive Summary of the Compensation Discussion and Analysis below.

Is this vote binding on the board of directors?

The Say-on-Pay vote is an advisory vote only, and therefore will not bind U.S. Cellular, our board of directors, the Chairman or the Long-Term Incentive Compensation Committee. However, the board of directors, the Chairman and the Long-Term Incentive Compensation Committee will consider the voting results as appropriate when making future decisions regarding executive compensation.

The results of the Say-on-Pay vote will be disclosed on a Form 8-K.

Your board of directors unanimously recommends a vote "FOR" the approval of Proposal 3.

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EXECUTIVE AND DIRECTOR COMPENSATION

The following discussion and analysis of our compensation practices and related compensation information should be read in conjunction with the Summary Compensation Table and other tables included below, as well as our financial statements and management's discussion and analysis of financial condition and results of operations included in our Form 10-K for the year ended December 31, 2014.

Compensation Discussion and Analysis

This Compensation Discussion and Analysis discusses the compensation awarded to, earned by, or paid to the executive officers identified in the below Summary Compensation Table.

Executive Summary

At December 31, 2014, U.S. Cellular's consolidated operating markets covered approximately 4.8 million customers in 23 states. U.S. Cellular operates in the highly competitive wireless telecommunications industry.

Compensation Philosophy and Objectives

U.S. Cellular is committed to providing the very best in customer satisfaction, achieving long-term profitable growth, and building the high-quality teams required to make this possible. As such, we focus on operating in a fiscally responsible manner, and on recruiting and retaining talented employees who believe in the company's values and long-term perspective.

U.S. Cellular's compensation objectives for executive officers are to support the overall business strategy and objectives, attract and retain high-quality management, link compensation to both company and individual performance, and provide compensation that is both competitive and consistent with our financial performance.

Highlights of the U.S. Cellular Compensation Programs

We have a Long-Term Incentive Compensation Committee, comprised solely of independent directors, that reviews and approves the long-term incentive compensation of executive officers.

Other executive compensation is approved by U.S. Cellular's Chairman, LeRoy T. Carlson, Jr., who is also a director and President and Chief Executive Officer of TDS, the majority shareholder of U.S. Cellular. Mr. Carlson's position with TDS permits him to represent the interests of all shareholders of U.S. Cellular in his compensation decisions. Mr. Carlson does not receive any compensation directly from U.S. Cellular and is compensated by TDS.

We designed our compensation programs to motivate executive officers to act in the long-term interest of U.S. Cellular.

Our executive officer compensation levels are based in part on competitive market compensation data supplied by Towers Watson.

A major compensation goal is to provide compensation and benefit programs that we believe are both competitive and fiscally responsible.

We provide few perquisites ("perks") to our officers.

We believe our executive bonus program is appropriately balanced between company and individual performance.

The maximum amount of bonus paid to officers is 200% of the total target opportunity.

We endeavor to conform with generally accepted compensation practices as defined by leading proxy advisory firms. For example, incentive and long-term compensation depends in large part on company performance; options may not be repriced without shareholder approval; hedging by officers is prohibited; except in limited circumstances, our plans, awards and agreements do not

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include tax gross-ups; a change in control does not automatically trigger adjustments to awards; and U.S. Cellular may seek to adjust or recover awards or payments if performance measures are restated or otherwise adjusted as described under "Clawback" below.

2014 Compensation

The primary financial focus of U.S. Cellular is the increase of long-term shareholder value through growth, measured in such terms as revenues, adjusted income before income taxes and capital expenditures. Compensation decisions are made considering these performance measures, as well as all other appropriate facts and circumstances, including factors such as customer growth and employee engagement.

Our executive officers' 2014 compensation was comprised of a mix of base salary, annual cash bonuses and equity-based, long-term incentive awards.

When setting 2014 base salaries, we considered the competitive market compensation data supplied by our compensation consultant, the executive officers' personal accomplishments and their overall contribution to the success of the organization. Please refer to a description of each named executive officer's base salary under "Compensation Discussion and Analysis Annual Cash Compensation Base Salary".

Bonus awards for 2014 performance paid in 2015 were based on company performance (60%), the Chairman's assessment of strategic initiatives (10%) and individual performance (30%). For 2014, we determined that the company achieved 94.1% of its weighted performance targets for company performance, resulting in a payout of 89.4% of target for this factor. Please refer to a description of U.S. Cellular's performance under "Compensation Discussion and Analysis Company Performance" and a description of each named executive officer's bonus under "Compensation Discussion and Analysis Annual Cash Compensation Bonus".

Long-term equity compensation awards to executive officers in 2014 were based, in part, on the company's achievement of 75% of the target company performance for 2013 and the individual performance of each executive officer in 2013. Stock options, restricted stock units and bonus match units generally vest over several years, thereby tying long-term executive compensation to increases in shareholder value over the same period. Please refer to a description of each named executive officer's 2014 long-term equity compensation awards under "Compensation Discussion and Analysis Long-Term Equity Compensation".

Corporate Governance

U.S. Cellular endeavors to follow good corporate governance practices and other best practices. For instance, U.S. Cellular has established a Long-Term Incentive Compensation Committee with authority over long-term incentive compensation, even though it is not required to do so under law, SEC regulations or NYSE listing requirements because it is controlled by TDS. Other executive compensation is approved by U.S. Cellular's Chairman, LeRoy T. Carlson, Jr., who is also a director and President and Chief Executive Officer of TDS, the largest shareholder of U.S. Cellular. Mr. Carlson's position with TDS permits him to represent the interests of all shareholders of U.S. Cellular in his compensation decisions. U.S. Cellular, and TDS in its capacity as U.S. Cellular's parent and controlling shareholder, are committed to good corporate governance. U.S. Cellular's and TDS' commitment to good corporate governance has been recognized by *Forbes*, which has published a list of the *Most Trustworthy* companies since 2007. U.S. Cellular was one of only 100 companies named *Most Trustworthy* in 2014. In addition, TDS was one of only 100 companies named *Most Trustworthy* in the following years: 2012, 2010 and 2009. Forbes used *Governance Metrics International (*or its predecessor *Audit Integrity*) to analyze more than 8,000 companies before selecting the top 100. Additional information relating to U.S. Cellular's good corporate governance practices and other best practices is set forth below under "Corporate Governance and Best Practices."

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Unrealized Components of Compensation

The compensation reported under "Stock Awards" and "Option Awards" in the Summary Compensation Table represents grant date accounting values as required by SEC rules, and does not represent currently realized or realizable compensation. The named executive officers will not realize cash from such awards unless and until any stock awards are vested and the shares received upon vesting are sold for cash, or unless and until any stock options become exercisable, are exercised and the shares received upon exercise are sold for cash. There is no assurance that this will occur. In general, awards are subject to a risk of forfeiture and the options will expire if not exercised during their term, which may occur if the stock price does not appreciate and/or remain above the exercise price during the option's term. The compensation actually realized by a named executive officer may be more or less than the amount reported in the Summary Compensation Table below depending on the performance of the U.S. Cellular stock price. With respect to 2014, the amount of compensation realized by each named executive officer can be approximated by (i) deducting from the "Total" in the 2014 Summary Compensation Table the amounts reported in the "Stock Awards" and "Option Awards" columns for such officer, and (ii) adding the values realized in 2014 by such officer from the 2014 Option Exercises and Stock Vested table below. However, other unrealized components of compensation may be included in the Summary Compensation Table, such as retirement plan contributions that are subject to a vesting schedule.

Say-on-Pay Vote

SEC rules require U.S. Cellular to disclose whether and, if so, how it considered the results of the most recent Say-on-Pay vote in determining compensation policies and decisions and how that consideration has affected its executive compensation decisions and policies.

Responsive to the foregoing requirement, the Chairman and the Long-Term Incentive Compensation Committee considered the fact that over 98% of the votes represented at the 2014 annual meeting that could be cast were cast FOR the Say-on-Pay proposal at the 2014 annual meeting with respect to 2013 named executive officer compensation, as disclosed in the 2014 proxy statement. Because of the substantial support from shareholders, the Chairman and the Long-Term Incentive Compensation Committee did not make any changes to U.S. Cellular's executive compensation decisions and policies as a result of the Say-on-Pay vote in 2014. (However, as described in "Changes to Compensation Policies" hereafter, certain changes were made to the 2014 executive compensation programs unrelated to the Say-on-Pay vote.) The Chairman and the Long-Term Incentive Compensation Committee will continue to consider the results of the annual Say-on-Pay votes in their future compensation policies and decisions.

Changes to Compensation Policies

Certain changes were made to executive compensation policies in 2014 compared to prior years.

For 2014 bonuses, company performance metrics included total revenues to recognize the impact of equipment installment plans, whereas service revenues, which excluded equipment sales, was used in 2013. A more detailed analysis of U.S. Cellular's executive compensation decisions and policies in 2014 is set forth below.

In addition, the multiples used to calculate the long-term incentive awards in 2014 for 2013 performance were generally intended to provide awards at the 60th percentile, considering a historical three-year average multiple. This is a decrease from the percentile used to calculate the long-term incentive awards in 2013 for 2012 performance, which were generally intended to reflect the 75th percentile without a three-year average.

Also, changes were made between 2013 and 2014 in the custom peer group used to help determine and set long-term incentive awards after a review of the group in terms of industry and size as compared to U.S. Cellular.

The following describes the revised policies.

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Overview

U.S. Cellular's compensation policies for executive officers are intended to provide incentives for the achievement of corporate and individual performance goals and to provide compensation consistent with the performance of U.S. Cellular, utilizing good governance practices and other best practices, as discussed below.

U.S. Cellular's policies establish incentive compensation performance goals for executive officers based on factors over which such officers have substantial control and which are important to U.S. Cellular's long-term success. U.S. Cellular believes compensation should be related to the performance of U.S. Cellular and should be sufficient to enable U.S. Cellular to attract and retain individuals possessing the talents required for long-term successful performance. Nevertheless, although performance driven metrics are key inputs to compensation and awards, technically all elements of compensation are discretionary, allowing the Chairman and Long-Term Incentive Compensation Committee to consider other facts to ensure alignment with U.S. Cellular's goals. Officers do not become entitled to any compensation or awards solely as a result of the achievement of performance levels.

As a controlled corporation, U.S. Cellular is not required to have an independent compensation committee under listing standards of the NYSE or otherwise. Although U.S. Cellular does not have an independent compensation committee for all executive compensation, long-term equity compensation of executive officers is approved by the fully independent Long-Term Incentive Compensation Committee, as discussed below.

LeRoy T. Carlson, Jr., Chairman and a director of U.S. Cellular, functions as the compensation committee for all matters not within the authority of the Long-Term Incentive Compensation Committee, but does not do so pursuant to a charter. Mr. Carlson does not approve any compensation to himself as Chairman. Mr. Carlson receives no compensation directly from U.S. Cellular. Mr. Carlson is compensated by TDS in connection with his services for TDS and TDS subsidiaries, including U.S. Cellular. A portion of Mr. Carlson's compensation paid by TDS is allocated to U.S. Cellular by TDS, along with other expenses of TDS. This allocation by TDS to U.S. Cellular is done in the form of a single allocation of cost pursuant to the Intercompany Agreement discussed below under "Intercompany Agreement."

As a controlled company, except with respect to matters within the authority of the Long-Term Incentive Compensation Committee, U.S. Cellular considers it sufficient and appropriate that LeRoy T. Carlson, Jr., as Chairman of U.S. Cellular, who receives no compensation directly from U.S. Cellular and who is a director and president and chief executive officer of TDS, approves compensation decisions for U.S. Cellular. As a result of Mr. Carlson's position with TDS, the majority shareholder of U.S. Cellular, he represents the interests of all shareholders of U.S. Cellular in his compensation decisions with respect to U.S. Cellular.

As noted above, although it is not required to do so under NYSE listing standards, U.S. Cellular has a Long-Term Incentive Compensation Committee comprised solely of directors who qualify as independent under the rules of the NYSE. The members of the Long-Term Incentive Compensation Committee currently are J. Samuel Crowley, Ronald E. Daly, Paul-Henri Denuit and Cecelia D. Stewart. The principal functions of the Long-Term Incentive Compensation Committee are to discharge the board of directors' responsibilities relating to the long-term equity-based compensation of the executive officers and other key employees of U.S. Cellular; to perform all functions designated to be performed by a committee of the board of directors under U.S. Cellular's long-term incentive plans and programs; to review and recommend to the board of directors the long-term incentive plans and programs for employees of U.S. Cellular (including changes thereto); and to report on long-term equity-based compensation in U.S. Cellular's annual proxy statement or otherwise to the extent required under any applicable rules and regulations.

The charter for the Long-Term Incentive Compensation Committee provides that the committee will interpret and administer U.S. Cellular's long-term incentive plans and programs, including selecting employees who will be granted awards, establishing performance measures and restriction periods, and determining the form, amount and timing of each grant of an award, the number of shares of stock subject to an award, the purchase price or base price per share of stock associated with an award, the exercise price of an option award, the time and conditions of exercise or settlement of an award and all other terms and conditions of an award.

Under its charter, the Long-Term Incentive Compensation Committee may delegate some or all of its responsibilities and duties with respect to U.S. Cellular's long-term incentive plans and programs to the Chairman of U.S. Cellular or any executive officer of U.S. Cellular as the committee deems appropriate, to the extent permitted by law and applicable listing standards and the applicable long-term incentive plan or program, but not regarding any award to officers of U.S. Cellular who are subject to the requirements of Section 16 of the Securities Exchange Act of 1934, as amended. The Long-Term Incentive Compensation Committee has not delegated any authority with respect to the officers identified in the below Summary Compensation Table or any other executive officers identified in this 2015 Proxy Statement. The Long-Term Incentive Compensation Committee has delegated authority to the Chairman or an executive officer of U.S. Cellular only with respect to persons who are not officers.

As discussed below, the Chairman and Long-Term Incentive Compensation Committee may rely on the services of U.S. Cellular's compensation and employee benefits consultant, Towers Watson.

Corporate Governance and Best Practices

As noted above, TDS is the parent and controlling shareholder of U.S. Cellular. Executive compensation, other than long-term incentive compensation, is approved by U.S. Cellular's Chairman, LeRoy T. Carlson, Jr., who is also a director and President and Chief Executive Officer of TDS, the largest shareholder of U.S. Cellular. Mr. Carlson's position with TDS permits him to represent the interests of all shareholders of U.S. Cellular in his compensation decisions. U.S. Cellular, and TDS in its capacity as U.S. Cellular's parent and controlling shareholder, are committed to good corporate governance. U.S. Cellular's and TDS' commitment to good corporate governance has been recognized by *Forbes*, which has published a list of the *Most Trustworthy* companies since 2007. U.S. Cellular was one of only 100 companies named *Most Trustworthy* in 2014. In addition, TDS was one of only 100 companies named *Most Trustworthy* in the following years: 2012, 2010 and 2009. Forbes used *Governance Metrics International ("GMI") (*or its predecessor *Audit Integrity*) to analyze more than 8,000 companies before selecting the top 100. GMI states that its quantitative and qualitative analysis looks beyond the raw data on companies' income statements and balance sheets to assess the true quality of corporate accounting and management practices. GMI finds that its 100 Most Trustworthy Companies have consistently demonstrated transparent and conservative accounting practices and solid corporate governance and management. GMI indicates that its evaluation identifies companies with good housekeeping practices that do not have unusual or excessive executive compensation, high levels of management turnover, substantial insider trading relative to their corporate peers, or high levels of short-term executive compensation, which it believes encourages management to focus on short-term results.

Following good corporate governance and other best practices is important to U.S. Cellular, including the Chairman and the Long-Term Incentive Compensation Committee. The following identifies a number of the good corporate governance and other best practices adopted and followed by U.S. Cellular, even though it may not be required to do so under law, SEC rules or NYSE listing requirements as a controlled company:

(a) In 2014, U.S. Cellular declassified its board of directors so that, effective with the 2015 Annual Meeting, all directors will be elected annually and serve one year terms.

(b) Seven of the fourteen directors, or 50% are independent.

(c) U.S. Cellular has adopted Corporate Governance Guidelines that are intended to reflect good corporate governance and other best practices.

(d) The positions of (i) Chairman of the Board and (ii) President and Chief Executive Officer are separated.

(e) The Audit Committee, which is comprised entirely of independent directors as required, operates under a charter and in a manner that is intended to reflect good corporate governance and other best practices.

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(f) Although the U.S. Cellular Chairman approves executive compensation other than long-term incentive compensation, his position as the President and Chief Executive Officer of TDS, the majority shareholder of U.S. Cellular, permits him to represent the interests of shareholders of U.S. Cellular in compensation matters other than long-term incentive compensation. The Chairman does not receive any compensation directly from U.S. Cellular.

(g) Although not required to do so, U.S. Cellular has established a Long-Term Incentive Compensation Committee, comprised solely of independent directors, with responsibility for long-term incentive compensation.

(h) The Long-Term Incentive Compensation Committee operates under a charter and in a manner that is intended to reflect good corporate governance and other best practices.

(i) The Long-Term Incentive Compensation Committee uses market compensation information supplied by Towers Watson as one factor in making executive officer long-term incentive compensation decisions.

(j) Once each year, the board of directors meets to discuss corporate governance generally, including the allocation of seats between independent and non-independent directors.

(k) U.S. Cellular holds an annual "Say-on-Pay" vote.

(l) Executive sessions are held with only independent directors present.

(m) U.S. Cellular has a policy prohibiting pledging and hedging of company shares.

(n) The U.S. Cellular Charter and Bylaws can be amended by a simple majority vote.

In addition to being comprised solely of independent directors, the members of the Long-Term Incentive Compensation Committee are highly experienced and eminently qualified: Paul-Henri Denuit (chairperson), formerly chief executive officer and chairman of S.A. Coditel, has substantial experience, expertise and qualifications as the principal executive officer of that company, as a result of his service as a director of U.S. Cellular since 1988, and as a result of his service as the chairperson of the U.S. Cellular Long-Term Incentive Compensation Committee or its predecessor since 1997; J. Samuel Crowley, formerly chief operating officer of Gold's Gym International, Inc., a senior vice president at Michaels Stores, Inc. and a vice president and the executive vice president of operations at CompUSA, Inc., has substantial experience, expertise and qualifications as a result of his positions at those companies, and as a result of his service as a director of U.S. Cellular since 1998; Ronald E. Daly, formerly president and chief executive officer of Océ-USA Holding and president of R.R. Donnelley Printing Solutions, has substantial experience, expertise and qualifications as the president of those companies and as a result of his service as a director of U.S. Cellular since 2004; and Cecelia D. Stewart, formerly president of U.S. Consumer and Commercial Banking of Citigroup, has substantial experience, expertise and qualifications as a member of senior management of large, public companies, including Citigroup, Morgan Stanley and Wachovia Corporation.

Objectives and Reward Structure of U.S. Cellular's Compensation Programs

The above Overview generally describes the objectives and reward structure of U.S. Cellular's compensation programs. This section further discusses, with respect to the named executive officers identified in the Summary Compensation Table, (1) the objectives of U.S. Cellular's compensation programs and (2) what the compensation programs are designed to reward.

The objectives of U.S. Cellular's compensation programs for its executive officers generally are to:

- support U.S. Cellular's overall business strategy and objectives;

attract and retain high quality management;

link individual compensation with attainment of U.S. Cellular objectives and with attainment of individual performance goals; and provide competitive compensation opportunities consistent with the financial performance of U.S. Cellular.

The primary financial focus of U.S. Cellular is the increase of long-term shareholder value through growth, measured primarily in such terms as total revenues, adjusted income before income taxes, and capital expenditures. U.S. Cellular's compensation policies for executive officers are designed to reward the achievement of such corporate performance goals, as discussed below. Compensation decisions are made subjectively, considering these performance measures, as well as all other appropriate facts and circumstances.

U.S. Cellular's compensation programs are designed to reward for the performance of U.S. Cellular on both a short-term and long-term basis. With respect to the named executive officers identified in the Summary Compensation Table, the design of compensation programs and performance rewarded are similar but with some differences for (1) the President and Chief Executive Officer ("CEO") and (2) the other named executive officers.

The non-equity compensation of the President and CEO of U.S. Cellular is approved by the Chairman, LeRoy T. Carlson, Jr., functioning as the compensation committee. The Chairman evaluates the performance of the President and CEO of U.S. Cellular in light of the annual and ongoing objectives for U.S. Cellular and the attainment of those objectives, and sets the annual base salary and bonus compensation levels for the President and CEO, and recommends long-term equity compensation to the Long-Term Incentive Compensation Committee for the President and CEO, based on such performance evaluation and compensation principles, as discussed below.

With respect to the executive officers identified in the Summary Compensation Table other than the President and CEO, the Chairman reviews the President and CEO's evaluation of the performance of such executive officers and sets the annual base salary and bonus compensation levels for such executive officers, and recommends long-term equity compensation to the Long-Term Incentive Compensation Committee, based on such performance evaluations and compensation principles, as discussed below.

Elements of Compensation

This section discusses, with respect to the officers identified in the Summary Compensation Table, (i) each element of compensation paid to such officers, (ii) why U.S. Cellular chooses to pay each element of compensation, (iii) how U.S. Cellular determines the amount or formula for each element of compensation and (iv) how each compensation element and U.S. Cellular's decisions regarding that element fit into U.S. Cellular's overall compensation objectives and affect decisions regarding other elements.

Each element of compensation paid to named executive officers is as follows:

- Annual Cash Compensation
  - Salary
  - Bonus
- Equity Compensation pursuant to Long-Term Incentive Plan
  - Stock Awards
    - Bonus Unit Match Awards
    - Restricted Stock Unit Awards, sometimes referred to as "RSUs"
  -

Stock Options

Other Benefits and Plans Available to Named Executive Officers

- ○ Deferred Compensation
- ○ Supplemental Executive Retirement Plan ("SERP")

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- ○ Perquisites

Other Generally Applicable Benefits and Plans

- ○ Tax-Deferred Savings Plan
- ○ Pension Plan
- ○ Welfare Benefits

U.S. Cellular chooses to pay or provide these elements of compensation, considering common compensation practices of peers and other companies with similar characteristics, in order to support U.S. Cellular's overall business strategy and objectives. U.S. Cellular recognizes that it must compensate its executive officers in a competitive manner comparable to other similar companies in order to attract and retain high quality management, attain business objectives and financial performance and increase shareholder value. Our executive compensation strategy is intended to provide an appropriate linkage between the long-term and short-term performance of U.S. Cellular, as measured by U.S. Cellular's financial performance and shareholder returns, and executive compensation.

As noted above, the elements of executive compensation consist of both annual cash and long-term equity compensation. Annual cash compensation consists of base salary and an annual bonus. Annual cash compensation decisions are based partly on individual and corporate short-term performance and partly on individual and corporate cumulative long-term performance during the executive's tenure in his or her position, particularly with regard to the President and CEO. Long-term equity compensation is intended to compensate executives primarily for their contributions to long-term increases in shareholder value and is primarily provided through the grant of stock options and restricted stock units.

The process of approving or recommending the elements of compensation begins with an evaluation of the appropriate compensation elements for each officer, based on the particular duties and responsibilities of the officer, as well as compensation elements for comparable positions at other companies in the telecommunications industry and other industries. See "Benchmarking/Market Compensation Data" below.

The Chairman and Long-Term Incentive Compensation Committee also have access to numerous performance measures and financial statistics prepared by U.S. Cellular. The financial information includes the audited financial statements of U.S. Cellular, as well as internal financial reports such as budgets and actual results, operating statistics and other analyses. The Chairman and Long-Term Incentive Compensation Committee also may consider such other factors that they deem appropriate in making their compensation recommendations or decisions. Ultimately, it is the informed judgment of the Chairman and/or the Long-Term Incentive Compensation Committee, after considering all of the foregoing factors, and considering the recommendation of the President and CEO and/or Chairman, that determines the elements of compensation for executive officers.

Annually, the President and CEO recommends the base salaries for the named executive officers other than the President and CEO, and the Chairman approves such base salaries and determines the base salary of the President and CEO. The 2014 rows under column (c), "Salary," in the below Summary Compensation Table include the dollar value of base salary (cash and non-cash) earned by the named executive officers during 2014, whether or not paid in such year.

In addition, the President and CEO recommends the annual bonuses for the named executive officers other than the President and CEO, and the Chairman approves such bonuses and determines the bonus of the President and CEO. The 2014 rows under column (d), "Bonus" or column (g), "Non-Equity Incentive Plan Compensation," in the below Summary Compensation Table include the dollar value of bonus (cash and non-cash) earned by the named executive officers during 2014, whether or not paid in such year.

The Long-Term Incentive Compensation Committee annually determines long-term equity compensation awards to the named executive officers under the U.S. Cellular long-term incentive plan, which awards generally have included stock options and restricted stock units. In addition, named executive officers may receive bonus match units as discussed below.

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The named executive officers received an award of restricted stock units in 2014 based in part on the achievement of certain levels of corporate and individual performance in 2013, as discussed below. The named executive officers may also receive bonus match units, as discussed below. Column (e), "Stock Awards," of the Summary Compensation Table includes the aggregate grant date fair value of the restricted stock unit awards and bonus match unit awards computed in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 718, Compensation Stock Compensation ("FASB ASC 718"). The grant date fair value of restricted stock units or bonus match units is calculated as the product of the number of shares underlying the award and the closing price of the underlying shares on the date of grant.

The named executive officers also received an award of stock options in 2014 based in part on the achievement of certain levels of individual performance in 2013, as discussed below. Column (f), "Option Awards," of the Summary Compensation Table includes the aggregate grant date fair value of the stock option awards computed in accordance with FASB ASC 718. The grant date fair value of stock options is calculated using the Black-Scholes valuation model.

Grants of equity awards to the President and CEO and the other executive officers are generally made at the same time each year. U.S. Cellular generally grants equity awards other than bonus match units on the first business day in April each year. U.S. Cellular grants bonus match units on the date that annual bonus amounts are paid each year. U.S. Cellular may also grant equity awards during other times of the year as it deems appropriate, such as in connection with new hires or promotions. U.S. Cellular does not backdate stock options and does not have any program, plan or practice to time the grant of awards in coordination with the release of material non-public information. The exercise price of stock options is based on the closing price of a U.S. Cellular Common Share on the date of grant.

The Chairman and the Long-Term Incentive Compensation Committee do not consider an officer's outstanding equity awards or stock ownership levels when determining such officer's compensation. The Chairman and Long-Term Incentive Compensation Committee evaluate compensation based on performance for a particular year and other considerations as described herein and do not consider stock ownership to be relevant in connection therewith.

Risks Relating to Compensation to Executive Officers

U.S. Cellular does not believe that incentives in the compensation arrangements maintained by U.S. Cellular encourage executive officers to take unnecessary, excessive or inappropriate risks that could threaten the value of U.S. Cellular, or that risks arising from U.S. Cellular's compensation policies and practices for executive officers are reasonably likely to have a material adverse effect on U.S. Cellular.

Also, U.S. Cellular does not believe that risks arising from U.S. Cellular's compensation policies and practices for its employees, including non-executive officers, are reasonably likely to have a material adverse effect on U.S. Cellular. See discussion under "Risks from Compensation Policies and Practices" below.

Compensation Consultant

Towers Watson is U.S. Cellular's compensation consultant and is engaged by U.S. Cellular management. Although Towers Watson is engaged by U.S. Cellular management, it also assists the Long-Term Incentive Compensation Committee with respect to long-term incentive compensation, and the Chairman, who in effect functions as the compensation committee for executive compensation other than long-term incentive compensation.

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As required by SEC rules, the following discloses the role of Towers Watson in determining or recommending the amount or form of executive officer compensation, the nature and scope of the assignment, and the material elements of the instructions or directions given to Towers Watson with respect to the performance of its duties under its engagement. Towers Watson provides external market compensation data to U.S. Cellular from its executive compensation survey database and, as requested, provides recommendations on the type and amount of compensation to be granted to officers. Towers Watson generally does not provide other services to U.S. Cellular, except as may be requested from time to time with respect to specific matters. Towers Watson did not provide any meaningful amount of other services to U.S. Cellular in 2014. The amount paid by U.S. Cellular to Towers Watson for all services in 2014 was approximately $22,000.

Towers Watson also provides compensation consulting and other services to U.S. Cellular's parent company, TDS, which are described in the TDS proxy statement. The Long-Term Incentive Compensation Committee has no involvement in these services.

Compensation Consultant Conflicts of Interest

The Chairman and Long-Term Incentive Compensation Committee of U.S. Cellular considered if the work of Towers Watson raised any conflict of interest.

As indicated above under "Compensation Consultant," U.S. Cellular management retained Towers Watson for compensation matters. Neither the U.S. Cellular Long-Term Incentive Compensation Committee nor the Chairman retained any compensation consultant, but did receive advice from Towers Watson.

The following identifies considerations by the Long-Term Incentive Compensation Committee and Chairman in evaluating whether the work of Towers Watson in 2014 raised any conflict of interest, based on factors identified in Rule 10C-1 under the Securities Exchange Act of 1934, as amended. The following was prepared in consultation with and based on representations of Towers Watson.

FACTOR	CONSIDERATIONS
1. The provision of other services to the issuer by the person that employs the compensation consultant.	1. As indicated, in addition to providing external market compensation data and recommendations on the type and amount of executive compensation, Towers Watson may provide other services to U.S. Cellular, to the extent requested by U.S. Cellular from time to time. Although these additional services could possibly raise a potential conflict of interest by providing an incentive to Towers Watson to provide advice that would permit such fees to continue, U.S. Cellular believes that this is not a significant concern. In particular, the dollar amount paid for such additional services is not significant. In addition, U.S. Cellular is controlled by TDS, and the Chairman of U.S. Cellular, who is also the President and CEO of TDS and who does not receive any compensation or benefits directly from U.S. Cellular, represents the interests of U.S. Cellular shareholders in overseeing compensation matters for U.S. Cellular (other than long-term incentive matters), including the services from Towers Watson.

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FACTOR	CONSIDERATIONS
2. The amount of fees received from the issuer by the person that employs the compensation consultant as a percentage of the total revenue of the person that employs the compensation consultant.	2. In its most recent 10-K Annual Report filed on August 14, 2014, Towers Watson disclosed that no single client accounted for more than 1% of its consolidated revenues for any of its most recent three fiscal years.
3. The policies and procedures of the person that employs the compensation consultant that are designed to prevent conflicts of interest.	3. The policies and procedures of Towers Watson, including the policies and procedures relating to the six factors set forth in this table, are designed to prevent conflicts of interest.
4. Any business or personal relationships of the compensation consultant with a member of the compensation committee.	4. Towers Watson is not aware of any business or personal relationships of Towers Watson or its representatives providing compensation consulting services to U.S. Cellular (or their immediate family members) with the Chairman or any member of the U.S. Cellular Long-Term Incentive Compensation Committee, except the business relationship arising from the compensation consulting and other services provided to U.S. Cellular by Towers Watson, as disclosed in this 2015 Proxy Statement, and the compensation consulting and other services provided to TDS by Towers Watson, as disclosed in the TDS proxy statement.
5. Any stock of the issuer owned by the compensation consultant.	5. No regular member of the Towers Watson executive compensation team serving U.S. Cellular (or TDS) owns any stock of U.S. Cellular or TDS, other than perhaps investments in mutual funds or other funds that may contain U.S. Cellular or TDS stock as a component investment and which are managed without the member's input.
6. Any business or personal relationships between the executive officers of the issuer and the compensation adviser or the person employing the adviser.	6. Towers Watson is not aware of any business or personal relationships between any executive officers of U.S. Cellular and Towers Watson or its representatives providing compensation consulting services to U.S. Cellular (or their immediate family members), except the business relationship arising from the compensation consulting and other services provided to U.S. Cellular by Towers Watson, as disclosed in this 2015 Proxy Statement, and the compensation consulting and other services provided to TDS by Towers Watson, as disclosed in the TDS proxy statement.

Towers Watson does not provide any advice as to director compensation.

Benchmarking/Market Compensation Data

U.S. Cellular does not engage in "benchmarking" as defined by the SEC, which would entail using compensation data about other companies as a reference point either wholly or in part to base, justify or provide a framework for a compensation decision. Although U.S. Cellular does obtain, review and consider a broad-based third-party survey of market compensation data from Towers Watson, this is used more generally as described below.

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For the named executive officers other than the President and CEO, in 2014, Towers Watson completed a job specific market analysis with respect to base pay. Executive officer positions were compared and matched to survey positions based on current role responsibilities. The source of market data was the Towers Watson Executive Compensation Database of over 750 companies. Competitive cash compensation data were from general industry (not industry specific) data, and represented data for stand-alone companies of U.S. Cellular's revenue size. Although no similar analysis was prepared for the President and CEO, the information from this database was also considered in determining the annual cash compensation of the President and CEO.

U.S. Cellular, the Chairman and the Long-Term Incentive Compensation Committee use market compensation data provided by Towers Watson for long-term incentive awards as follows. The multiples used to calculate the long-term incentive awards in 2014 for 2013 performance were determined using a weighting of 50% of the total based on data from a peer group of telecom and customer focused companies (as identified below) and 50% of the total based on data from general industry companies (with revenue of $3 billion to $6 billion) from the Towers Watson database. The multiples were generally intended to provide awards at the 60th percentile, considering a historical three-year average multiple. However, an officer's multiple could be increased by 0 - 15% upon recommendation by the President and CEO and approvals by the Chairman and Long-Term Incentive Compensation Committee, after their consideration of individual performance and other relevant factors. The multiples that were approved for the named executive officers based on the foregoing procedures are set forth below under "Long-Term Equity Compensation."

U.S. Cellular, the Chairman and the Long-Term Incentive Compensation Committee review or consider the Towers Watson broad-based third-party survey data with respect to the general industry companies only for general purposes, and to obtain a general understanding of current compensation practices. U.S. Cellular, the Chairman and the Long-Term Incentive Compensation Committee rely upon and consider to be material only the aggregated survey data prepared by Towers Watson, such as median levels of compensation and market compensation data used for long-term incentive awards. The identities of the individual companies included in the survey are not considered in connection with any individual compensation decisions because this information is not considered to be material.

In addition, in 2014, the following custom peer group of telecom and customer focused companies was used to help determine and set our long-term incentive awards.

Custom Peer Group: Avis Budget Group, Crown Castle International, Columbia Sportswear, Darden Restaurants, Dr. Pepper Snapple, Frontier Communications, Hanes Brands, Harley Davidson, Hershey, Hertz, Hillshire Brands, Hyatt Hotels, Levi Strauss, Marriott International, NII Holdings, Nordstrom, Starwood Hotels & Resorts, Whole Foods and Wyndham.

U.S. Cellular also considered compensation arrangements at the companies in the peer group index included in the "Stock Performance Graph" that is included in the accompanying 2014 Annual Report, as discussed below, as well as other companies in the telecommunications industry and other industries, to the extent considered appropriate, based on similar size, function, geography or otherwise. This information was used to understand the market for general compensation arrangements for executives, but was not used for benchmarking purposes.

U.S. Cellular selected the Dow Jones U.S. Telecommunications Index, a published industry index, for purposes of the Stock Performance Graph in the 2014 Annual Report. As of December 31, 2013, the Dow Jones U.S. Telecommunications Index had been composed of the following companies: AboveNet, American Tower (Class A), AT&T, CenturyLink, Cincinnati Bell, Crown Castle International Corp., Frontier Communications, Leap Wireless International, Leucadia National, Level 3 Communications, MetroPCS Communications, NII Holdings, SBA Communications Corp., Sprint Corp., Telephone and Data Systems (TDS), tw telecom, U.S. Cellular, Verizon Communications, Virgin Media and Windstream. As of December 31, 2014, Dow Jones deleted AboveNet, American Tower (Class A), Cincinnati Bell, Crown Castle International, Leap Wireless International, Leucadia National, MetroPCS Communications, NII Holdings, tw telecom, U.S. Cellular and Virgin Media from this index and added T-Mobile USA to this index.

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Company Performance

The degrees to which company performance measures and objectives were achieved in 2014 are discussed below separately for those that are stated in quantitative terms and for those that are stated in non-quantitative terms.

For purposes of evaluating and determining compensation levels each year, U.S. Cellular calculates an overall percentage of U.S. Cellular performance based on performance measures set forth in its Executive Bonus Plan. The following shows the level of achievement with respect to 2014.

The following performance measures were considered in evaluating U.S. Cellular quantitative performance for purposes of the 2014 Executive Bonus Plan: adjusted consolidated total revenues (40%); consolidated adjusted income before income taxes, (35%); and adjusted consolidated capital expenditures (25%). On a weighted basis, U.S. Cellular achieved 94.1% of its targets which produced a payout of 89.4% of target for that portion of the bonus plan.

Such quantitative company performance measures comprised 60% of the bonus opportunity under the 2014 Executive Bonus Plan.

The below table shows the calculation of the overall quantitative company performance percentage for 2014 based on the 2014 Executive Bonus Plan. The below amounts are based on the performance metrics established specifically for bonus purposes and may not agree with U.S. Cellular's financial statements, which are based on accounting principles generally accepted in the United States of America ("GAAP"), or with other publicly disclosed measures. As compared to GAAP, the below bonus results and targets are adjusted for amounts relating to items such as acquisitions and divestitures and other non-operating or non-core items (the "Bonus Metric Amounts"). The below bonus results and targets are intended to reflect the core operating results over which U.S. Cellular officers have significant influence.

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Performance Measures	**Final Bonus Results for 2014**	**Final Target for 2014**	**Bonus Results as a % of Target**	**Minimum Threshold Performance (as a % of Target)**	**Maximum Performance (as a % of Target)**	**Interpolated % of Target Bonus Earned (if within Minimum and Maximum Range)**	**Weight**	**Weighted Performance %**	**Weighted Avg % of Target Bonus**
Formula			(b) / (c)					(d)×(h)	(g)×(h)
Adjusted Consolidated Total Revenues (1)	$ 3,893 million	$ 4,058 million	95.9%	90%	110%	79.7%	40%	38.4%	31.9%
Consolidated Adjusted Income before Income Taxes (2)	$ 488 million	$ 515 million	94.6%	80%	120%	86.6%	35%	33.1%	30.3%
Adjusted Consolidated Capital Expenditures (3)	$ 566 million	$ 626 million	90.4%	105%	90%	109.0%	25%	22.6%	27.2%
Overall Company Performance							100%	**94.1%**	**89.4%**

(1) Adjusted Consolidated Total Revenues represents consolidated "Total revenues," as adjusted for the Bonus Metric Amounts.

(2) This represents consolidated "Adjusted income before income taxes" as set forth in Exhibit 99.1 to U.S. Cellular's Current Report on Form 8-K dated February 25, 2015, as adjusted for the Bonus Metric Amounts.

(3) Adjusted Consolidated Capital Expenditures represents consolidated "Capital expenditures," as adjusted for the Bonus Metric Amounts. A lower number is better.

If a metric does not meet the minimum threshold performance level, no bonus will be paid with respect to such metric. If maximum performance or greater is achieved, 225% of the bonus opportunity for that metric will be funded. As shown above, the minimum threshold was achieved for all three of the targets for 2014, but performance was less than maximum performance in each case. As a result, the payout level was interpolated as indicated above based on the formula included in the bonus plan.

As shown above, the quantitative company performance percentage for U.S. Cellular for 2014 was determined to be 89.4%.

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The assessment of strategic initiatives as determined in the subjective judgment of the Chairman was 132%. In arriving at this percentage, the Chairman considered the following accomplishments of U.S. Cellular during 2014:

- Finished the year with positive postpaid net additions first time since 2009
- Stabilized the billing system
- Successfully prepared for the AWS-3 auction with its partner, Advantage Spectrum, L.P.
- Successfully launched Equipment Installment Plans (EIP)
- Seeking to improve the rule-making process for the pending 600 MHz auction
- Launched distinct new products, such as OnLook Connected Home

Performance Objectives and Accomplishments

In addition to U.S. Cellular performance, the Chairman, President and CEO and members of the Long-Term Incentive Compensation Committee consider individual objectives and performance in determining executive compensation. The individual objectives considered by such persons in their evaluation of each of the named executive officers other than the President and CEO are almost entirely team objectives of the management group. There was no minimum level of achievement of any of those objectives before salary or other compensation could be increased or provided. The assessment of the achievement of such objectives is not formulaic, objective or quantifiable. Instead, individual performance considerations are factors, among others, that are generally taken into account in the course of making subjective judgments in connection with compensation decisions.

The following summarizes the U.S. Cellular team objectives and accomplishments in 2014. In addition to achieving 94.1% of its weighted company performance targets which produced a payout of 89.4% of target for that portion of the bonus plan, as discussed above, U.S. Cellular took actions in furtherance of the following objectives: (i) increasing customers, revenues and adjusted income before income taxes, (ii) managing capital investment levels, (iii) reigniting associate engagement, (iv) growing U.S. Cellular's net postpaid customer base, (v) increasing the national distribution network, (vi) pursuing national 4G roaming agreements, (vii) further rolling out 4G LTE, (viii) evaluating and developing roll out plans for VoLTE, (ix) developing and rolling out a local strategy, (x) completing an initiative to bring post-paid customers under contract, (xi) rolling out equipment installment plans, (xii) defining spectrum acquisition objectives for the FCC auction and filing for participation with a partner, (xiii) working to obtain favorable rules for FCC auctions, (xiv) monetizing U.S. Cellular's non-strategic towers, (xv) monetizing or trading non-strategic spectrum, (xvi) realizing cost reductions, and (xvii) seeking to improve brand impression in the marketplace.

Mr. Meyers was the principal executive officer of U.S. Cellular and supervised and guided all of the business and affairs of U.S. Cellular in 2014. As a result, Mr. Meyers is primarily responsible for the performance of U.S. Cellular. Each of the other executive officers was also considered to have made a significant contribution to the aforementioned performance achievements. The portion of the bonus for individual performance is based on an individual performance assessment approved by the Chairman in his subjective judgment which, in the case of officers other than the President and CEO, considers the recommendation of the President and CEO, in his subjective judgment. This individual performance assessment for 2014 is used as a factor in determining the amount of the cash bonus for 2014 performance paid in 2015 and the stock option awards and restricted stock unit awards granted in 2015 with respect to 2014 performance.

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The following shows certain considerations relating to compensation paid in 2014 to the named executive officers:

	Kenneth R. Meyers	**Steven T. Campbell**	**Jay M. Ellison**	**Michael S. Irizarry**	**Deirdre C. Drake**
Position at U.S. Cellular	Director and President and Chief Executive Officer	Director and Executive Vice President-Finance, Chief Financial Officer and Treasurer	Executive Vice President-Operations	Executive Vice President and Chief Technology Officer Engineering and Information Services	Senior Vice President Chief Human Resources Officer
Responsibilities at U.S. Cellular for above position	Primary responsibility for operations and performance as CEO	Accounting and financial reporting, credit and collections, financial planning and analysis, strategic planning, real estate and site services, supply chain, treasury and regulatory matters	All matters related to operations, including sales and customer service	All technological operations including wireless towers, network build-outs, network operations and technological advancements	All matters related to human resources
Date or Year Appointed to Current Title	2013	2007	May 2014	2011	April 2014
Years Included as Named Executive Officer in Summary Compensation Table (since this table was implemented in 2007)	2007 and 2013	2007 - 2013	2007 - 2009 and 2013	2007 - 2013	N/A
Period(s) Employed at U.S. Cellular	1987 to 2006 and 2013 to Present	2005 to Present	2000 to 2009 and November 2013 to Present	2002 to Present	April 2014 to Present

Agreements with Executive Officers

U.S. Cellular and Kenneth R. Meyers are parties to a letter agreement dated July 25, 2013 relating to his appointment as President and CEO effective June 22, 2013 (the "Meyers Letter Agreement"). In general, this addressed compensation to Mr. Meyers for 2013, and includes provisions relating to annual equity awards in subsequent years, retiree medical/life insurance benefits and a related tax gross-up, and severance (pursuant to which Mr. Meyers would be entitled to his then current annual base salary in the event that U.S. Cellular terminates Mr. Meyers' employment involuntarily without cause prior to June 22, 2019). See Footnote (1) to the Summary Compensation Table below for further details.

U.S. Cellular and Jay M. Ellison are parties to a letter agreement dated October 30, 2013 relating to his employment with U.S. Cellular beginning November 1, 2013 (the "Ellison Letter Agreement"). In general, this addressed compensation to Mr. Ellison for 2013, and includes provisions relating to future equity awards. See Footnote (3) to the Summary Compensation Table below for further details.

U.S. Cellular and Deirdre C. Drake entered into a letter agreement dated March 14, 2014 relating to her employment with U.S. Cellular beginning April 15, 2014 (the "Drake Letter Agreement"). In general, this provides for an annualized starting salary in 2014 of $375,000, a target bonus opportunity equal to 45% of her 2014 annual salary, and includes provisions relating to future equity awards. See Footnote (5) to the Summary Compensation Table below for further details.

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Annual Cash Compensation

The following discusses annual cash compensation, which consists of base salary and bonus.

Base Salary

Annually, the Chairman determines the President and CEO's base salary. With respect to the other executive officers, the President and CEO recommends and the Chairman approves annually each such executive officer's base salary. Base salary is determined based on an evaluation of the performance of U.S. Cellular and each executive officer and such other facts and circumstances as the Chairman and/or President and CEO may deem relevant, as discussed below.

Significant facts and circumstances that the Chairman considered in approving the base salaries of the named executive officers, and that the President and CEO considered in recommending the base salaries of the named executive officers other than the President and CEO, are as follows: U.S. Cellular's status as a public company and controlled company; the fact that U.S. Cellular is primarily a regional competitor and that some of its competitors are national or global telecommunications companies that are much larger than U.S. Cellular, possess greater resources, possess more extensive coverage areas and more spectrum within some coverage areas, and market other services with their communications services that U.S. Cellular does not offer; U.S. Cellular's performance, as discussed above; and market compensation information, as discussed above. In addition, the Chairman and President and CEO considered additional facts and circumstances specific to each of the named executive officers, as discussed below.

The Chairman considers the above facts and circumstances and makes a determination of ranges of base salary for each named executive officer, based on the recommendations of the President and CEO with respect to all named executive officers other than the President and CEO. The base salary of each executive officer is set at a level considered to be appropriate in the subjective judgment of the Chairman based on an assessment of the responsibilities and performance of such executive officer, taking into account the facts and circumstances discussed above. No specific performance measures are determinative in the base salary compensation decisions for executive officers. Ultimately, it is the informed judgment of the Chairman based on the recommendation of the President and CEO that determines an executive officer's base salary based on the total mix of information rather than on any specific measures of performance.

The following shows certain information relating to base salary in 2014 for Kenneth R. Meyers.

		Kenneth R. Meyers
2013 Annual Base Salary for the period 6/22/13 - 12/31/13	$	830,000
2014 Annual Base Salary per Summary Compensation Table for 1/1/14 - 12/31/14	$	865,300
$ Increase in Annual Base Salary on 1/1/14	$	35,300
% Increase in Annual Base Salary on 1/1/14		4.25%
Range per 2013 Towers Watson survey	$ $	675,000 to 955,000
Median of range	$	805,000

Pursuant to the Meyers Letter Agreement, Mr. Meyers' 2013 base salary was set at $830,000 upon his appointment as President and CEO of U.S. Cellular in June 2013. Effective January 1, 2014, Mr. Meyers' base salary was increased to $865,300 for 2014, which is somewhat above the median, representing the 50th percentile of the range considered to be appropriate in the subjective judgment of the Chairman. The population of comparable base salaries was comprised one-half of the base salaries of the chief executive officers of companies and one-half of the base salaries of sector heads of a major segment of a company's operations, similar in size to U.S. Cellular, recognizing the fact that U.S. Cellular

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is both a public company as well as a subsidiary of a public company. See "Benchmarking/Market Compensation Data" above.

The following shows certain information relating to base salary in 2014 compared to 2013 for the other named executive officers whose 2013 compensation was previously reported:

	Steven T. Campbell	Jay M. Ellison	Michael S. Irizarry
2013 Base Salary per Summary Compensation Table for 1/1/13 - 12/31/13	$ 541,667	$ 76,820	$ 573,556
Base Salary level prior to 3/1/14	$ 546,000	$ 460,000	$ 577,256
Base Salary level 3/1/14 - 2/28/15	$ 564,000	$ 490,000	$ 592,000
2014 Base Salary per Summary Compensation Table for 1/1/14 - 12/31/14	$ 561,000	$ 485,000	$ 589,543
$ Increase in Base Salary on 3/1/14	$ 18,000	$ 30,000	$ 14,744
% Increase in Base Salary on 3/1/14	3.3%	6.5%	2.6%
Range per 2013 Towers Watson survey	$ 430,000 to $ 606,000	$ 310,000 to $ 560,000	$ 375,000 to $ 535,000
Median of range	$ 510,000	$ 435,000	$ 450,000

The 2013 Base Salary per Summary Compensation Table for 1/1/13 12/31/13 in the above table for Jay M. Ellison reflects the fact that he re-commenced employment at U.S. Cellular on November 1, 2013.

The base salaries of the above officers are believed to be within the range considered to be appropriate in the judgment of the Chairman and the President and CEO. In addition to the considerations discussed above, significant facts and circumstances that the Chairman and the President and CEO considered in determining the base salaries include the position and responsibilities of the officer; the length of service in such capacity and with U.S. Cellular; the team performance objectives and achievements and the extent to which the officer was considered to have contributed to such achievements; the ranges and metrics for the individual officers based on market compensation information, as indicated above; the overall views and feedback of U.S. Cellular personnel with respect to the officer; and the Chairman's and the President and CEO's subjective views regarding such officer's contributions to U.S. Cellular during his or her tenure with the company and in particular, during 2013.

Bonus

Executive Bonus Plan. The 2014 Executive Bonus Plan was approved by the Chairman and by the President and CEO in 2014. This 2014 Executive Bonus Plan measured performance with respect to 2014, relating to bonuses paid in 2015. A copy of this plan was filed with the SEC on a Form 8-K dated August 19, 2014. The Chairman does not participate in any U.S. Cellular bonus plan and the current President and CEO did not participate in the Executive Bonus Plan. U.S. Cellular has separate guidelines for awarding bonuses to the President and CEO, as described below.

The purposes of the 2014 Executive Bonus Plan were: to provide incentive for the officers of U.S. Cellular to extend their best efforts toward achieving superior results in relation to key business measures; to reward U.S. Cellular's officers in relation to their success in meeting and exceeding the performance targets; and to help U.S. Cellular attract and retain talented leaders in positions of critical importance to the success of U.S. Cellular. Eligible participants in the 2014 Executive Bonus Plan were all Executive Vice Presidents and the Senior Vice President Chief Human Resources Officer of U.S. Cellular. As discussed above, the President and CEO did not participate in this plan. In determining the bonus of the President and CEO, in addition to considering performance under the 2014 Executive Bonus Plan, the Chairman also considered other U.S. Cellular metrics and various other performance measures as he determined in his discretion.

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The following performance measures were considered for the purposes of the 2014 Executive Bonus Plan:

Company Performance	Component Weighting	Overall Plan Weighting	Maximum Percentage of Target
Adjusted Consolidated Total Revenues	40%	24%	
Consolidated Adjusted Income Before Income Taxes	35%	21%	
Adjusted Consolidated Capital Expenditures	25%	15%	
Company Performance	100%	60%	225%
Chairman Assessment of Strategic Initiatives		10%	200%
Individual Performance		30%	150%
Total overall plan weighting and maximum target opportunity		100%	200%

U.S. Cellular sets target levels for the company performance measures at levels that it believes are achievable with above average performance. U.S. Cellular believes it would require outstanding performance to achieve 200% of the overall maximum target opportunity.

The amount of the bonus is not determined and cannot be calculated in advance of, and does not vest until, approval and payment to the officer.

The Chairman determined the actual payout that each officer received under the 2014 Executive Bonus Plan.

The Chairman determined the bonus to the President and CEO for 2014 that was paid in 2015 as follows.

U.S. Cellular established guidelines and procedures for awarding bonuses to the President and CEO. These guidelines and procedures were filed by U.S. Cellular as Exhibit 10.2 to U.S. Cellular's Form 8-K dated August 19, 2014. These guidelines and procedures provide that the Chairman in his sole discretion determines whether an annual bonus will be payable to the President and CEO for a performance year and, if so, the amount of such bonus, and describe factors that may be considered by the Chairman in making such determination, including any factors that the Chairman in the exercise of his judgment and discretion determines relevant. The guidelines and procedures provide that no single factor will be determinative and no factor will be applied mechanically to calculate any portion of the bonus of the President and CEO. The entire amount of the bonus is discretionary.

Mr. Meyers' informal target bonus was 80% of his base salary or $692,240. The Chairman approved a bonus to Mr. Meyers of $743,000 with respect to 2014 performance that was paid in March 2015. This was approximately 107% of the informal target bonus amount reflecting U.S. Cellular's overall company performance of 89.4% and the Chairman's subjective views regarding Mr. Meyers' contributions to such performance and achievements in 2014.

Unlike the bonus guidelines for the executive officers other than Mr. Meyers, which provide that a specified percentage of an officer's bonus will be determined based on quantitative financial performance (as described above) and that the remaining percentage will be discretionary based on overall company performance and individual performance, the bonus guidelines for the President and CEO do not provide such specificity and provide that the entire amount of the bonus is discretionary. The determination of the bonus payable to the President and CEO was not formulaic. In addition to considering the performance under the 2014 Executive Bonus Plan, in determining the bonus of the President and the CEO, the Chairman also considered other U.S. Cellular metrics and various other performance measures as he determined in his discretion. Accordingly, the entire amount of the bonus for Mr. Meyers is reported under the "Bonus" column of the Summary Compensation Table.

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Summary of Bonus Payments

The following shows the calculation of bonuses with respect to 2014 performance.

As noted above under "Company Performance," the overall percentage achieved with respect to quantitative company performance under the 2014 Executive Bonus Plan was determined to be 89.4% of target. The assessment of strategic initiatives as determined in the subjective judgment of the Chairman was 132% of target.

The following shows information with respect to each named executive officer that received a bonus for 2014 performance (paid in 2015) showing the amount of bonus awarded as a result of the achievement of the above company performance measures and the amount awarded based on the assessment of strategic initiatives and on individual performance (the below amounts may be rounded):

		Formula	Kenneth R. Meyers	Steven T. Campbell	Jay M. Ellison	Michael S. Irizarry	Deirdre C. Drake
a	2014 base salary (Later of 3/1/14 or hire date) (amount for Ms. Drake is pro-rated based on her hire date)		$ 865,300	$ 564,000	$ 490,000	$ 592,000	$ 265,500
b	Target bonus percentage		80%	55%	75%	55%	45%
c	Target bonus	a × b	$ 692,240	$ 310,200	$ 367,500	$ 325,600	$ 119,475
d	Percentage of 2014 target bonus based on company performance		N/A	60%	60%	60%	60%
e	Target bonus for company performance	c × d	N/A	$ 186,120	$ 220,500	$ 195,360	$ 71,685
f	Calculation of amount reported under "Non-Equity Incentive Plan Compensation" column based on company performance in 2014	e × 89.4%	N/A	$ 166,391	$ 197,127	$ 174,652	$ 64,086
	Calculation of amount reported under "Bonus" column:						
g	Portion of bonus based on assessment of strategic initiatives in 2014 (10% of target bonus opportunity), multiplied by percentage of achievement as determined by Chairman (132%)	c × 10% × 132%	N/A	$ 40,946	$ 48,510	$ 42,979	$ 15,771
h	Amount of discretionary bonus based on individual performance and rounding		N/A	$ 125,663	$ 165,363	$ 114,369	$ 45,143
i	Amount of bonus award to President and CEO		$ 743,000	N/A	N/A	N/A	N/A
j	Subtotal of amount reported under "Bonus" column	g + h + i	$ 743,000	$ 166,609	$ 213,873	$ 157,348	$ 60,914
k	Total bonus for 2014 paid in 2015 (sum of amount reported under "Non-Equity Incentive Plan Compensation" column and amount reported under "Bonus" column)	f + j	$ 743,000	$ 333,000	$ 411,000	$ 332,000	$ 125,000

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The entire amount of the bonus paid to Mr. Meyers is included under the "Bonus" column in the Summary Compensation Table because the determination of the amount of the bonus to the President and CEO was not formulaic. In addition to considering the performance under the 2014 Executive Bonus Plan, the Chairman also considered other U.S. Cellular metrics and various other performance measures as he determined in his discretion.

Long-Term Equity Compensation

The Chairman recommends and the Long-Term Incentive Compensation Committee approves long-term equity compensation awards to the named executive officers under the U.S. Cellular long-term incentive plan, which awards generally have included stock options, restricted stock units and bonus match units.

Long-term compensation awards for executive officers are based, in part, on company and individual performance, with the intended goal of increasing long-term company performance and shareholder value. Stock options, restricted stock units and bonus match units generally vest over several years, to reflect the goal of relating long-term incentive compensation to increases in shareholder value over the same period.

Although the Long-Term Incentive Compensation Committee has the discretion to grant various types of awards, it generally grants only restricted stock units and stock options. In addition, officers may receive employer stock match awards in connection with deferred bonus as described below under "Information Regarding Nonqualified Deferred Compensation." The restricted stock units generally vest in full (cliff vesting) on the third anniversary of the date of grant, subject to continued employment. Stock options generally become exercisable with respect to $33^{1}/_{3}$% of the shares underlying the stock option each year over a three year period and are exercisable until the tenth anniversary of the date of grant, in each case, subject to continued employment. The awards to Kenneth R. Meyers in 2013 included different terms that were negotiated as part of the Meyers Letter Agreement. See Footnote (1) to the Summary Compensation Table below for further details.

Officers receive an award of restricted stock units in the current year primarily based on the achievement of certain levels of corporate and individual performance in the immediately preceding year and an award of stock options in the current year primarily based on individual performance in the immediately preceding year. However, all stock option and restricted stock unit awards are expensed over the applicable vesting periods.

The Long-Term Incentive Compensation Committee determined the number of restricted stock units and stock options to award to the named executive officers in 2014 as follows. The following first discusses the general approach used for the named executive officers other than the President and CEO.

The target allocation of long-term compensation awards in 2014 was 50% in stock options and 50% in restricted stock units. This allocation was based, in part, on trends shown by information from U.S. Cellular's compensation consultant, Towers Watson. See "Benchmarking/Market Compensation Data" above.

Although the target allocation was based on trends shown by market compensation data, the stock option grant was adjusted by an officer performance multiple and the restricted stock unit award was adjusted by an officer performance multiple as well as a U.S. Cellular performance factor, as discussed below.

Based on information from Towers Watson, the formula for determining the number of stock options to award to the executive officers other than the President and Chief Executive Officer was (a) the officer's March 1, 2014 base salary × the officer performance multiple for 2013 × 50% (i.e., the percentage of long-term incentive opportunity to be granted in the form of a stock option award), divided by (b) the Black-Scholes value of an option on U.S. Cellular's stock based on the closing stock price on the grant date. This result was rounded as indicated below.

Based on information from Towers Watson, the formula for determining the number of restricted stock units to award to the executive officers, other than the President and Chief Executive Officer was

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(a) the officer's March 1, 2014 base salary × the officer performance multiple for 2013 × 50% (i.e., the percentage of long-term incentive opportunity to be granted in the form of a restricted stock unit award) × the U.S. Cellular adjusted company performance percentage for 2013, divided by (b) the value of a U.S. Cellular Common Share based on the closing stock price on the grant date. The adjusted company performance percentage for 2013 was 75%. This was comprised of quantitative company financial performance of 67.5% in 2013 plus the Chairman's qualitative assessment of company performance of 120% in 2013, on a weighted basis.

The officer performance multiple for 2013 (utilized for 2014 awards) represents a number based, in part, on information from Towers Watson derived from market compensation data as discussed under "Benchmarking/Market Compensation Data" above. The amount of this multiple relates to the officer's relative position at U.S. Cellular and reflects the Chairman's and President and CEO's assessment of the officer's individual performance. Based on the foregoing, the named executive officers who received an award with respect to 2013, other than the President and CEO, were assigned the multiples disclosed below.

The target values in the below tables are calculated by U.S. Cellular using the formulas described above considering information provided by Towers Watson. These are not the same as the accounting values that are recorded pursuant to the requirements of FASB ASC 718, as reported elsewhere in this 2015 Proxy Statement.

As with the annual salary and bonus, executive officers do not become entitled to any stock options or restricted stock units as a result of the achievement of any corporate or individual performance levels. An award of stock options and restricted stock units is entirely discretionary and executive officers have no right to any stock option or restricted stock unit awards unless and until they are awarded. Pursuant to SEC rules, awards granted in 2014 are included in the Summary Compensation Table below with respect to 2014 compensation.

As a result of the foregoing formulas and individual performance factors, the following stock options and restricted stock units were granted on April 1, 2014 to the persons who were named executive officers at that time, other than the President and Chief Executive Officer (the amounts below may be rounded):

		Formula	Steven T. Campbell	Jay M. Ellison	Michael S. Irizarry
a	March 1, 2014 Base Salary		$ 564,000	$ 490,000	$ 592,000
b	Performance Multiple		2.25	2.75	2.10
c	Long Term Incentive Target Value	a × b	$ 1,269,000	$ 1,347,500	$ 1,243,200
d	Option Target Value	c × 50%	$ 634,500	$ 673,750	$ 621,600
e	Closing Stock Price on April 1, 2014		$ 41.22	$ 41.22	$ 41.22
f	Closing Price × Black-Scholes Ratio	e × 25.43%	$ 10.48	$ 10.48	$ 10.48
G	Options Granted (rounded)	d / f	60,525	64,275	59,300
h	RSU Target Value	c × 50%	$ 634,500	$ 673,750	$ 621,600
i	2013 Company Performance %		75%	75%	75%
j	Adjusted RSU Value	h × i	$ 475,875	$ 505,313	$ 466,200
k	RSUs Granted (rounded)	j / e	11,545	12,259	11,310

Ms. Drake also received awards pursuant to the Drake Letter Agreement. See Footnote (5) to the Summary Compensation Table below for further details.

The approach for granting stock option and restricted stock unit awards to Kenneth R. Meyers differed from the above approach for the other named executive officers. The following stock option and

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restricted stock unit awards were granted to Mr. Meyers on April 1, 2014 using the formula outlined below (the amounts below may be rounded):

		Formula	Kenneth R. Meyers
a	Long Term Incentive Target Value based on information from Towers Watson		$ 3,443,000
b	Option Target Value	a × 50%	$ 1,721,500
c	Closing Stock Price on April 1, 2014		$ 41.22
d	Closing Price × Black-Scholes Ratio	c × 25.43%	$ 10.48
e	Options Granted (rounded)	b / d	164,225
f	RSU Target Value	a × 50%	$ 1,721,500
g	2013 Company Performance % N/A per compensation policy for President and CEO		
h	Adjusted RSU Value		$ 1,721,500
i	RSUs Granted (rounded)	h / c	41,764

Analysis of Compensation

The following table identifies the percentage of each element of total compensation of each of the named executive officers, based on the Summary Compensation Table for 2014:

	Kenneth R. Meyers	Steven T. Campbell	Jay M. Ellison	Michael S. Irizarry	Deirdre C. Drake
Salary	16.6%	24.1%	22.7%	25.1%	25.1%
Bonus	14.2%	17.9%	10.0%	17.3%	5.8%
Stock Awards	33.8%	20.4%	23.6%	19.8%	37.9%
Stock Options	33.6%	27.8%	32.1%	27.0%	18.0%
Non-Equity Incentive Plan Compensation	0%	7.1%	9.2%	7.4%	6.1%
Other	1.8%	2.7%	2.4%	3.4%	7.1%
	100.0%	100.0%	100.0%	100.0%	100.0%

The compensation of Ms. Drake is not representative of compensation that would be paid in a typical year due to the fact that she started in her new position in April 2014.

As indicated below in the Summary Compensation Table, Mr. Meyers' total compensation for 2014 was $5,221,207 and the total compensation for 2014 of the other named executive officers ranged from a high of $2,349,218 to a low of $2,137,441, excluding Ms. Drake for the reason stated in the preceding paragraph. Accordingly, Mr. Meyers' total compensation for 2014 is approximately 2.2 times the total compensation of the next highest compensated named executive officer with respect to 2014.

As noted herein, U.S. Cellular's overall compensation objectives are to (i) support U.S. Cellular's overall business strategy and objectives; (ii) attract and retain high quality management; (iii) link individual compensation with attainment of individual performance goals and with attainment of U.S. Cellular objectives; and (iv) provide competitive compensation opportunities consistent with the financial performance of U.S. Cellular. Also, as noted herein, U.S. Cellular determines the amount of compensation to pay or provide to each named executive officer considering compensation practices of peers and other companies with similar characteristics, in order to support U.S. Cellular's overall business strategy and objectives. U.S. Cellular recognizes that it must compensate its executive officers in a competitive manner. Considering the foregoing, U.S. Cellular recognizes that it needs to and believes that it should compensate the President and CEO at a level that considers the compensation of presidents and chief executive officers of similar companies, which compensation is higher than the compensation of other named executive officers of such companies. U.S. Cellular believes that this is necessary to attract and retain a highly qualified person to serve as President and CEO and to compete successfully against other companies. U.S. Cellular also recognizes that it needs to and believes that it should compensate the other named executive officers at levels that reflect the compensation of similarly situated positions at similar companies in order to attract and retain high quality persons for such positions at U.S. Cellular.

The Chairman and the Long-Term Incentive Compensation Committee believe that the elements of compensation and total compensation of the named executive officers have been set at appropriate levels considering the foregoing principles.

Other Benefits and Plans Available to Named Executive Officers

The named executive officers participate in certain benefits and plans, as described below.

As noted above, U.S. Cellular's overall compensation objectives for executive officers are to (i) support U.S. Cellular's overall business strategy and objectives; (ii) attract and retain high quality management; (iii) link individual compensation with attainment of individual performance goals and with attainment of U.S. Cellular objectives; and (iv) provide competitive compensation opportunities consistent with the financial performance of U.S. Cellular.

To achieve these objectives, the Chairman and the Long-Term Incentive Compensation Committee believe that the named executive officers must be offered a competitive compensation package, including benefits and plans. U.S. Cellular's compensation packages are designed to compete with other companies for talented employees. U.S. Cellular's benefits and plans are part of this package and enable U.S. Cellular to attract and retain talented employees, including the named executive officers. Thus, the benefits and plans fit into U.S. Cellular's overall compensation objectives primarily by helping U.S. Cellular achieve the second objective of U.S. Cellular's overall compensation objectives, which is to attract and retain high quality management. Benefits and plans are an important part of the mix of compensation used to attract and retain management, but do not significantly affect decisions relating to other elements of annual or long-term compensation, which are provided consistent with the above compensation objectives.

Deferred Salary and Bonus

Deferred Salary and/or Bonus. The named executive officers are permitted to defer salary and/or bonus into an interest-bearing arrangement under a deferred compensation plan. The entire amount of the salary earned is reported in the Summary Compensation Table in column (c) under "Salary," whether or not deferred. The entire amount of the bonus earned is reported in the Summary Compensation Table in column (d) under "Bonus" or in column (g) under "Non-Equity Incentive Plan Compensation," whether or not deferred. Pursuant to the plan, the officer's deferred compensation account is credited with interest compounded monthly, computed at a rate equal to one-twelfth of the sum of the average twenty-year Treasury Bond rate plus 1.25 percentage points until the deferred compensation amount is paid to such person. As required by SEC rules, column (h) in the Summary Compensation Table includes the portion of any interest that exceeded the rate specified by the Internal Revenue Service that is 120% of the applicable federal long-term rate, with compounding (as prescribed under section 1274(d) of the Internal Revenue Code) (such specified rate, the "AFR"), at the time each monthly interest rate was set. The deferred compensation account of an officer is paid at the time and in the form provided in the plan, which permits certain distribution elections by the officer.

The executive is always 100% vested in all salary and bonus amounts that have been deferred and any interest credited with respect thereto. Accordingly, the executive is entitled to 100% of the amount deferred and all earnings thereon upon any termination. Any such amounts are reported in the Nonqualified Deferred Compensation table below and, because there would not be any increased benefit or accelerated vesting in the event of any termination or change in control, are not included in the below Table of Potential Payments upon Termination or Change in Control.

Deferred Bonus under the Long-Term Incentive Plan. In addition to being permitted to defer some or all of their bonuses into an interest-bearing arrangement as described immediately above, the named executive officers are also permitted to defer some or all of their bonuses pursuant to deferred bonus compensation agreements under the 2005 Long-Term Incentive Plan or 2013 Long-Term Incentive Plan, as discussed below. The entire amount of the bonus earned is reported in the Summary Compensation

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Table in column (d) under "Bonus" or in column (g) under "Non-Equity Incentive Plan Compensation," whether or not deferred. Deferred bonus under the long-term incentive plan will be deemed invested in phantom U.S. Cellular Common Shares. The named executive officers receive a distribution of the deferred bonus account at the time and in the form provided in the plan, which permits certain distribution elections by the officer.

The executive is always 100% vested in all bonus amounts that have been deferred under a deferred bonus compensation arrangement under the 2005 Long-Term Incentive Plan and 2013 Long-Term Incentive Plan. Such amounts are reported in the Nonqualified Deferred Compensation table and, because there would not be any increased benefit or accelerated vesting in the event of any termination or change in control, are not included in the below Table of Potential Payments upon Termination or Change in Control.

U.S. Cellular 2013 Long-Term Incentive Plan

The annual long-term compensation awards in 2014 were made under U.S. Cellular's 2013 Long-Term Incentive Plan. The awards to the named executive officers other than Ms. Drake were granted on April 1, 2014 and the awards to Ms. Drake were granted on April 15, 2014.

Under the 2013 Long-Term Incentive Plan, U.S. Cellular is authorized to grant stock options, stock appreciation rights, bonus stock awards, restricted stock awards, restricted stock unit awards, performance awards and employer match awards for deferred bonus. The following provides certain additional information relating to deferred bonus stock unit match awards, restricted stock units and stock options.

Pursuant to the 2013 Long-Term Incentive Plan, each officer may elect to defer all or a portion of his or her annual bonus. U.S. Cellular will allocate a stock unit match award to the employee's deferred compensation account in an amount equal to the sum of (i) 25% of the deferred bonus amount which is not in excess of one-half of the employee's gross bonus for the year and (ii) $33^1/_3$% of the deferred bonus amount which is in excess of one-half of the employee's gross bonus for the year. The stock unit match awards will be deemed invested in phantom Common Shares and will vest ratably at a rate of one-third per year over three years.

All restricted stock units, options and phantom stock units are subject to vesting periods specified at the time of grant.

If a recipient of an award under the 2013 Long-Term Incentive Plan enters into competition with, or misappropriates confidential information of, U.S. Cellular or any affiliate thereof, including TDS and its affiliates, then all such awards shall terminate and be forfeited. Also see "Clawback" below.

The 2013 Long-Term Incentive Plan and related award agreements provide various rights upon resignation (with prior consent of the U.S. Cellular board of directors), retirement, special retirement, disability, death, or other termination or separation from service, and upon a change in control thereunder, as summarized below. See the below Table of Potential Payments upon Termination or Change in Control for additional information.

The 2013 Long-Term Incentive Plan provides that if an outstanding award expires or terminates unexercised or is canceled or forfeited, or if shares are delivered to U.S. Cellular or withheld by U.S. Cellular to pay the exercise price or to satisfy tax withholding with respect to an award, then the shares subject to such award would again be available under the plan.

The 2013 Long-Term Incentive Plan does not have a provision automatically replenishing the shares available under the plan without shareholder approval, known as an "evergreen" provision.

The restricted stock units granted in 2014 vest in full (cliff vesting) on the third anniversary of the date of grant, subject to continued employment. Stock options granted in 2014 become exercisable with respect to $33^1/_3$% of the shares underlying the stock option each year over a three year period and are exercisable until the tenth anniversary of the date of grant, in each case, subject to continued employment.

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The 2013 Long-Term Incentive Plan broadly prohibits, without shareholder approval, "repricings," including the reduction of the exercise price of an outstanding stock option or the base price of an outstanding SAR or the cash buyout of underwater stock options.

Change in Control

The following summarizes the change in control provisions of the 2013 Long-Term Incentive Plan:

Notwithstanding any other provision in the 2013 Long-Term Incentive Plan or any agreement, in the event of a 2013 LTIP Change in Control (as described below), the board of directors (as constituted prior to the 2013 LTIP Change in Control) may in its discretion, but will not be required to, make such adjustments to outstanding awards under the 2013 Long-Term Incentive Plan as it deems appropriate, including without limitation, (i) accelerating the vesting or exercisability of some or all outstanding awards, and/or to the extent legally permissible, causing any applicable restriction or performance period to lapse in full or part; (ii) causing any applicable performance measures to be deemed satisfied at the target, maximum or any other level determined by the board of directors (as constituted prior to the 2013 LTIP Change in Control); (iii) requiring that the shares of stock into which Common Shares are converted pursuant to the 2013 LTIP Change in Control be substituted for some or all of the Common Shares subject to outstanding awards, with an appropriate adjustment as determined by the Long-Term Incentive Compensation Committee; and/or (iv) requiring outstanding awards, in whole or part, to be surrendered to U.S. Cellular in exchange for a payment of cash, shares of capital stock of the company resulting from or succeeding to the business of U.S. Cellular in connection with the 2013 LTIP Change in Control, or the parent thereof, or a combination of cash and shares.

Generally, a "Change in Control" is defined in the 2013 Long-Term Incentive Plan as: (i) an acquisition by a person or entity of the then outstanding securities of U.S. Cellular (the "Outstanding Voting Securities") (x) having sufficient voting power of all classes of capital stock of U.S. Cellular to elect at least 50% or more of the members of the board of directors or (y) having 50% or more of the combined voting power of the Outstanding Voting Securities entitled to vote generally on matters (without regard to the election of directors), subject to certain exceptions; (ii) unapproved changes in the majority of the members of the board of directors; (iii) certain corporate restructurings, including certain reorganizations, mergers, consolidations or sales or other dispositions of all or substantially all of the assets of U.S. Cellular; or (iv) approval by the shareholders of U.S. Cellular of a plan of complete liquidation or dissolution of U.S. Cellular.

The foregoing outlines the potential effect of a 2013 LTIP Change in Control relating to all awards available under the 2013 Long-Term Incentive Plan. However, U.S. Cellular currently only has outstanding and/or expects to award under such plan restricted stock units, options and phantom stock units related to deferred compensation accounts.

Because a 2013 LTIP Change in Control may result in the acceleration of vesting of stock options, restricted stock units and bonus match units, the effects of such accelerated vesting in such event are included in the below Table of Potential Payments upon Termination or Change in Control.

For a copy of the 2013 Long-Term Incentive Plan, see Exhibit A to U.S. Cellular's 2013 proxy statement.

U.S. Cellular 2005 Long-Term Incentive Plan

Under the 2005 Long-Term Incentive Plan, U.S. Cellular was previously authorized to grant stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards, performance awards and employer match awards for deferred bonus. At the 2013 annual meeting, U.S. Cellular shareholders approved the 2013 Long-Term Incentive Plan that replaced the 2005 Long-Term Incentive Plan for awards granted after the date of such approval on May 14, 2013.

No additional awards will be granted under the 2005 Long-Term Incentive Plan. Only restricted stock units, options and phantom stock units related to deferred compensation accounts are outstanding under the 2005 Long-Term Incentive Plan. These awards are subject to vesting periods specified at the time of grant.