

TELEPHONE & DATA SYSTEMS INC /DE/
Form PREC14A
March 18, 2014

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

Telephone and Data Systems, Inc.

(Name of Registrant as Specified In Its Charter)

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

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(4) Date Filed:

PRELIMINARY COPY, DATED MARCH 18, 2014

TELEPHONE AND DATA SYSTEMS, INC.

30 North LaSalle Street
Suite 4000
Chicago, Illinois 60602
Phone: (312) 630-1900
Fax: (312) 630-9299

[], 2014

Dear Shareholders:

You are cordially invited to attend the 2014 annual meeting of shareholders ("2014 Annual Meeting") of Telephone and Data Systems, Inc. ("TDS") on [], [], 2014, at 10:00 a.m., Chicago time, at The Standard Club, 320 S. Plymouth Court, Chicago, Illinois.

The formal Notice of 2014 Annual Meeting of Shareholders and 2014 Proxy Statement ("2014 Proxy Statement") of our board of directors is attached. Also enclosed is our 2013 Annual Report to shareholders ("2013 Annual Report"). At our 2014 Annual Meeting, shareholders are being asked to take the following actions:

1. elect members of the board of directors;
2. ratify the selection of independent registered public accountants for the current fiscal year;
3. approve (i) an amendment to TDS' 2011 Long-Term Incentive Plan to authorize 5 million additional Common Shares for issuance under such plan and (ii) the material terms of the performance goals under such plan; and
4. approve, on an advisory basis, the compensation of our named executive officers as disclosed in the attached 2014 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, "**FOR**" approval of the amendment of TDS' 2011 Long-Term Incentive Plan and "**FOR**" approval of the Say-on-Pay proposal.

Considerations relating to the Say-on-Pay Proposal

TDS operates in highly competitive markets through its primary business units, United States Cellular Corporation ("U.S. Cellular"), which operates TDS' Wireless segment, and TDS Telecommunications Corporation ("TDS Telecom"), which operates TDS' Wireline, Hosted and Managed Services ("HMS") and Cable segments, 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 TDS compensation programs:

We have a Compensation Committee, comprised solely of independent directors, that reviews and approves the salaries, bonuses and long-term compensation of executive officers (other than the President and Chief Executive Officer of U.S. Cellular).

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

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Our executive officer compensation levels are based in part on competitive market compensation data supplied by our Compensation Committee's independent compensation consultant, Compensation Strategies, Inc., and by our compensation consultant, Towers Watson.

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

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

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

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

The maximum amount of the bonus paid to officers related to company performance is 200% of the target opportunity allocated to company performance.

2013 Compensation

Our executive officers' 2013 compensation was comprised of a mix of base salary, annual cash bonuses and equity-based, long-term incentive awards.

When setting 2013 base salaries, our Compensation Committee considered the competitive market compensation data supplied by compensation consultants, the executives' 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 2014 Proxy Statement under "Compensation Discussion and Analysis Annual Cash Compensation Base Salary".

For bonuses for 2013 performance paid in 2014, the performance weighting was based 40% on individual performance and 60% on consolidated company performance (unless adjusted for specified officers by the Compensation Committee). We determined that the company performance portion of the bonus for 2013 performance would be paid at 68.2% of target. Please refer to a description of TDS' 2013 performance in the attached 2014 Proxy Statement 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 2013 were 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 vest over several years, to reflect the goal of relating long-term executive compensation to increases in shareholder value over the same period. Please refer to the description of each named executive officer's 2013 long-term equity compensation awards in the attached 2014 Proxy Statement under "Compensation Discussion and Analysis Long-Term Equity Compensation".

Changes to Compensation Policies

Our Compensation Committee, with the advice of its independent compensation consultant, worked with management to make changes to the executive compensation program for 2013 that were designed to enhance and simplify the program and to better align cash bonuses with the consolidated performance of TDS. For bonuses for 2013 performance paid in 2014, in general, 60% of the bonus was based on a quantitative calculation of company performance and 40% was based on individual performance, and there was not a discretionary qualitative component to company performance. For bonuses for 2012 performance paid in 2013, 50% of the bonus had been based on both quantitative and discretionary qualitative assessments of company performance and 50% on individual performance. In addition, for bonuses for 2013 performance paid in 2014, company performance was based on consolidated results of TDS (rather than a weighted average of U.S. Cellular and TDS Telecom company performance), and based on different metrics than those utilized for bonuses for 2012 performance paid in 2013. In addition, effective with the long-term incentive awards granted to TDS and TDS Telecom officers and other employees in 2013, 50% of the target value was delivered in the form of stock options and 50% in the form of restricted stock units. Prior to this change, 60% of the target value had been delivered in the form of stock options and 40% in the form of restricted stock units. Furthermore, stock option and restricted stock unit awards granted in 2013 will vest in their entirety on the third anniversary of the grant date. Prior to this change, restricted stock units vested in December in the second year following the grant date, and options became exercisable with respect to one-third of the number of shares subject to the option on each of the first, second and third anniversaries of the grant date. Please refer to the description of these changes in the attached 2014 Proxy Statement under "Compensation Discussion and Analysis Changes to Compensation Policies."

Corporate Governance

TDS endeavors to follow good corporate governance practices and other best practices. For instance, TDS has established a fully independent Compensation Committee, even though it is not required to do so under law, SEC regulations or New York Stock Exchange listing requirements because it is a controlled company. Good corporate governance is an important consideration to the Compensation Committee. TDS' commitment to good corporate governance has been recognized by *Forbes*, which has published a list of the *Most Trustworthy* companies since 2007. TDS was one of only 100 companies to be named *Most Trustworthy* in each of 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 TDS' good corporate governance practices and other best practices is set forth in the Compensation Discussion and Analysis in the attached 2014 Proxy Statement.

We encourage you to read the Compensation Discussion and Analysis in the attached 2014 Proxy Statement for a detailed discussion and analysis of our executive compensation program, including information about the fiscal 2013 compensation of our named executive officers. We also encourage you to read the rest of the 2014 Proxy Statement and the 2013 Annual Report.

We would like to have as many shareholders as possible represented at the meeting. Therefore, whether or not you plan to attend the meeting, please sign, date and return the enclosed **WHITE** proxy card(s), or vote by phone or on the Internet in accordance with the instructions set forth on the **WHITE** proxy card(s).

TDS HAS RECEIVED A NOTICE FROM GAMCO ASSET MANAGEMENT, INC., WHICH WE REFER TO, TOGETHER WITH ITS AFFILIATES, AS "GAMCO," FOR THE NOMINATION OF TWO CANDIDATES TO THE TDS BOARD OF DIRECTORS AT THE 2014 ANNUAL MEETING FOR ELECTION BY THE HOLDERS OF COMMON SHARES. YOUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE ELECTION OF EACH OF THE NOMINEES ON THE ENCLOSED WHITE PROXY CARD(S) AND URGES YOU NOT TO SIGN OR RETURN ANY PROXY CARD(S) THAT YOU MAY RECEIVE FROM GAMCO. THE COLOR OF GAMCO'S PROXY CARD WILL BE OTHER THAN WHITE. TO VOTE FOR ALL OF THE TDS BOARD OF DIRECTORS' NOMINEES, YOU MUST VOTE A WHITE PROXY CARD BY RETURN MAIL, BY PHONE OR ON THE INTERNET. IF YOU HAVE PREVIOUSLY VOTED ANY PROXY CARD(S) SENT TO YOU BY GAMCO, YOU CAN REVOKE THEM BY VOTING THE ENCLOSED WHITE PROXY CARD(S).

We look forward to visiting with you at the 2014 Annual Meeting.

Very truly yours,

Walter C.D. Carlson
Chairman of the Board

LeRoy T. Carlson, Jr.
President and Chief Executive
Officer

Please sign, date and return the enclosed WHITE proxy card(s) promptly or vote by phone or on the Internet using the instructions on the WHITE proxy card(s)

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IMPORTANT

Your vote is important. No matter how many shares you own, we urge you to please vote FOR the election of the nominees nominated by the board of directors and FOR proposals 2, 3 and 4. In addition to voting by mail, telephone and Internet voting is available. Simply follow the instructions on the enclosed proxy card.

In addition, we ask that you do not return any proxy card you may receive from GAMCO.

If you have questions or need assistance voting your shares please contact

105 Madison Avenue
New York, New York 10016
TDS@mackenziepartners.com
Call Collect: (212) 929-5500
or
Toll-Free (800) 322-2885
Fax: (212) 929-0308

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NOTICE OF 2014 ANNUAL MEETING OF SHAREHOLDERS AND 2014 PROXY STATEMENT

TO THE SHAREHOLDERS OF

TELEPHONE AND DATA SYSTEMS, INC.

The 2014 annual meeting of shareholders ("2014 Annual Meeting") of Telephone and Data Systems, Inc., a Delaware corporation, will be held at The Standard Club, 320 S. Plymouth Court, Chicago, Illinois, on [], [], 2014, at 10:00 a.m., Chicago time, for the following purposes:

1. To elect members of the board of directors. Your board of directors unanimously recommends that you vote **FOR** the directors nominated by the TDS board of directors.
2. To consider and ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accountants for the year ending December 31, 2014. Your board of directors unanimously recommends that you vote **FOR** this proposal.
3. To consider and approve (i) an amendment of TDS' 2011 Long-Term Incentive Plan to authorize 5 million additional Common Shares for issuance under the plan and (ii) the material terms of the performance goals under such plan. Your board of directors unanimously recommends that you vote **FOR** this proposal.
4. 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.
5. To transact such other business as may properly be brought before the meeting or any postponement, adjournment or recess thereof by or at the direction of the TDS board of directors.

We have fixed the close of business on [], 2014, as the record date for the determination of shareholders entitled to notice of, and to vote at, the 2014 Annual Meeting or any adjournments thereof.

We are first sending this Notice of 2014 Annual Meeting of Shareholders and 2014 Proxy Statement ("2014 Proxy Statement"), together with our 2013 Annual Report to shareholders ("2013 Annual Report"), on or about [], 2014.

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2014 PROXY STATEMENT
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SUMMARY

The following is a summary of the actions being taken at the 2014 Annual Meeting and does not include all of the information that may be important to you. You should carefully read this entire 2014 Proxy Statement and not rely solely on the following summary.

Proposal 1 Election of Directors

Under TDS' Restated Certificate of Incorporation, as amended, the terms of all incumbent directors will expire at the 2014 Annual Meeting.

Holders of Series A Common Shares and Preferred Shares, voting as a group, will be entitled to elect eight directors. Your board of directors has nominated the following incumbent directors for election by the holders of Series A Common Shares and Preferred Shares: LeRoy T. Carlson, Jr., Letitia G. Carlson, M.D., Prudence E. Carlson, Walter C.D. Carlson, Kenneth R. Meyers, Donald C. Nebergall, Christopher D. O'Leary and Herbert S. Wander.

Holders of Common Shares will be entitled to elect four directors. Your board of directors has nominated the following incumbent directors for election by the holders of Common Shares: Clarence A. Davis, George W. Off, Mitchell H. Saranow and Gary L. Sugarman.

None of the nominees have been nominated pursuant to any agreement or other arrangement. Clarence A. Davis and Gary L. Sugarman were initially nominated for election as directors in 2009 pursuant to a Settlement Agreement, which we refer to as the "Settlement Agreement," between TDS and GAMCO Asset Management, Inc. which we refer to, together with its affiliates, as "GAMCO," but the obligations thereunder expired in 2010. Nevertheless, the TDS board of directors has continued to nominate Clarence A. Davis and Gary L. Sugarman as directors of TDS at subsequent annual meetings, including at the 2014 Annual Meeting, as discussed below.

Your board of directors unanimously recommends that you vote **"FOR"** its nominees for election as directors on the enclosed **WHITE** proxy card(s), including its nominees for election by the holders of Common Shares, and urges you **NOT** to sign or return any proxy card(s) that you may receive from GAMCO.

See "Background of Recent Events" below.

Proposal 2 Ratification of Independent Registered Public Accounting Firm for 2014

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, 2014.

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

Proposal 3 Amendment of 2011 Long-Term Incentive Plan and Approval of Performance Goals

Shareholders are being asked to approve (i) an amendment of TDS' 2011 Long-Term Incentive Plan to authorize 5 million additional Common Shares for issuance under such plan and (ii) the material terms of the performance goals under such plan, as described in this 2014 Proxy Statement.

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

Proposal 4 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 2014 Annual Meeting shareholders are being asked to approve, on an advisory basis, the compensation of our named executive officers for 2013 as disclosed in this 2014 Proxy Statement .

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

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VOTING INFORMATION

What is the record date for the meeting?

The close of business on [], 2014 is the record date for the determination of shareholders entitled to notice of, and to vote at, the 2014 Annual Meeting or any postponement, adjournment or recess thereof.

A complete list of shareholders entitled to vote at the 2014 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 TDS, 30 North LaSalle Street, 40th Floor, Chicago, Illinois 60602, for examination by any shareholder during normal business hours, for a period of at least ten days prior to the 2014 Annual Meeting.

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

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

Common Shares;

Series A Common Shares; and

Preferred Shares.

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

There is generally no public trading of the Series A Common Shares on the over-the-counter market, but the Series A Common Shares are convertible on a share-for-share basis into Common Shares, which are publicly-traded on the NYSE.

No public market exists for the Preferred Shares. The Preferred Shares are divided into series, none of which is currently convertible into any class of common stock. All holders of Preferred Shares vote together with the holders of Common Shares and Series A Common Shares, except in the election of directors. In the election of directors, all holders of Preferred Shares vote together with the holders of Series A Common Shares.

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:

<i>Class of Stock</i>	<i>Outstanding Shares</i>	<i>Votes per Share</i>	<i>Voting Power</i>	<i>Total Number of Directors Elected by Voting Group and Standing for Election</i>
Series A Common Shares	[]	10	[]	
Preferred Shares	[]	1	[]	
Subtotal			[]	8

Common Shares [] 1 [] 4

Total Directors 12

Table of Contents**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:

<i>Class of Stock</i>	<i>Outstanding Shares</i>	<i>Votes per Share</i>	<i>Total Voting Power</i>	<i>Percent</i>
Series A Common Shares	[]	10	[]	56.[]%
Common Shares	[]	0.[]	[]	43.[]%
Preferred Shares	[]	1	[]	*
			[]	100.0%

*

Less than .1%

Pursuant to the Restated Certificate of Incorporation for TDS (the "Restated Charter"), which effected a reclassification of TDS shares during 2012 (the "Reclassification"), the aggregate voting power of Series A Common Shares and Common Shares in matters other than the election of directors was set at approximately 56.7% and 43.3%, respectively. The initial percentages will be adjusted under certain circumstances, except that the aggregate voting percentage of the Series A Common Shares cannot increase above the initial fixed percentage voting power of approximately 56.7%.

Based on shares outstanding on the record date for the 2014 Annual Meeting, the per share voting power of the Common Shares for the 2014 Annual Meeting is 0.[] votes per share, calculated as follows pursuant to Section B.9 of Article IV of the Restated Charter:

(a) The Series A Common Shares have ten votes per share.

(b) Accordingly, in order to achieve the foregoing aggregate percentage voting power, the per share voting power of the Common Shares floats and is redetermined on the record date for each shareholder vote. The Restated Charter provides that each Common Share shall entitle the holder thereof to cast a number of votes and fractional votes (rounded to the nearest six decimal places) determined by dividing the Aggregate Common Share Voting Power (as defined below) by the number of Common Shares outstanding on the record date. The number of Common Shares outstanding on the record date of [], 2014 was [].

(c) Except to the extent provided in paragraph (d) below, the Aggregate Common Share Voting Power is the number of votes equal to the sum of the number of Common Shares outstanding immediately before January 24, 2012, the effective time of the Reclassification (the "Effective Time") (49,980,080) and the number of Series A Common Shares converted into Common Shares after the Effective Time ([] Series A Common Shares were converted into Common Shares between January 25, 2012 and [], 2014). Accordingly, this sum is [] (49,980,080 + []).

(d) The Restated Charter provides that, if the quotient determined in clause (i) below is greater than the quotient determined in clause (ii) below, the Aggregate Common Share Voting Power will not be determined as set forth in paragraph (c) above but instead will be determined as set forth in paragraph (e) below.

(i) The quotient (rounded to the nearest six decimal places) obtained pursuant to the following formula:

$$\frac{(SA_{RD} \times 10)}{(SA_{RD} \times 10) + CSO_{ET} + AC} = \frac{([] \times 10)}{([] \times 10) + 49,980,080 + []} = []\%$$

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(ii) The quotient (rounded to the nearest six decimal places) obtained pursuant to the following formula ("SA_{VP}"):

$$\frac{(SA_{ET} \times 10)}{(SA_{ET} \times 10) + CSO_{ET}} = \frac{(6,548,932 \times 10)}{(6,548,932 \times 10) + 49,980,080} = 56.715736\%$$

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(e) If the condition in paragraph (d) is satisfied, the Aggregate Common Share Voting Power is the aggregate number of votes determined as follows:

$$\frac{(SA_{RD} \times 10)}{SA_{VP}} - (SA_{RD} \times 10) = \frac{([\quad] \times 10)}{56.715736\%} - ([\quad] \times 10) = [\quad]$$

(f) For purposes of this calculation:

SA_{RD} = the number of Series A Common Shares outstanding on the record date, which was [] Series A Common Shares on [], 2014.

SA_{VP} = the Aggregate Percentage of Series A Voting Power (expressed as a fraction) as of the Effective Time, as defined in clause (ii) of paragraph (d).

SA_{ET} = the number of Series A Common Shares outstanding immediately prior to the Effective Time, which was 6,548,932.

AC = the total number of Common Shares issued upon conversion of Series A Common Shares after the Effective Time. A total of [] Common Shares have been issued upon conversion of Series A Common Shares between January 25, 2012 and [], 2014.

CSO_{ET} = the number of Common Shares outstanding immediately before the Effective Time, which was 49,980,080.

Accordingly, because the condition in paragraph (d) was satisfied, the per share voting power for the 2014 Annual Meeting, based on shares outstanding on the record date of [], 2014, is equal to the Aggregate Common Share Voting Power of [] determined in paragraph (e) divided by the number of Common Shares outstanding on the record date of [], or 0. [] votes per share.

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

Shareholders may, with respect to directors to be elected by such shareholders:

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 for election as directors.

How may shareholders vote with respect to the ratification of our independent registered public accounting firm for 2014 in Proposal 2?

Shareholders may, with respect to Proposal 2:

vote FOR,

vote AGAINST, or

ABSTAIN from voting on this proposal.

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

How may shareholders vote with respect to the amendment of TDS' 2011 Long-Term Incentive Plan to authorize additional Common Shares in Proposal 3?

Shareholders may, with respect to Proposal 3:

vote FOR,

vote AGAINST, or

ABSTAIN from voting on this proposal.

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

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How may shareholders vote with respect to Say-on-Pay in Proposal 4?

Shareholders may, with respect to Proposal 4:

vote FOR,

vote AGAINST, or

ABSTAIN from voting on this proposal.

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

How does the TDS Voting Trust intend to vote?

The Voting Trust under Agreement dated June 30, 1989, as amended (the "TDS Voting Trust"), held [] Series A Common Shares on the record date, representing approximately 94.[]% of the Series A Common Shares. By reason of such holding, the TDS Voting Trust has the voting power to elect all of the directors to be elected by the holders of Series A Common Shares and Preferred Shares and has approximately 53.[]% of the voting power with respect to matters other than the election of directors. The TDS Voting Trust also held [] Common Shares on the record date, representing approximately 6.[]% of the Common Shares. By reason of such holding, the TDS Voting Trust has approximately 6.[]% of the voting power with respect to the election of directors elected by the holders of Common Shares and an additional 2.[]% of the voting power in matters other than the election of directors. Accordingly, the TDS Voting Trust has an aggregate of 56.[]% of the voting power in matters other than the election of directors. The TDS Voting Trust does not currently own Preferred Shares.

The TDS Voting Trust has advised us that it intends to vote:

FOR the board of directors' nominees for election by the holders of Series A Common Shares and Preferred Shares, and
FOR 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 2014,

FOR the proposal to approve (i) an amendment to TDS' 2011 Long-Term Incentive Plan to authorize 5 million additional Common Shares under such plan and (ii) the material terms of the performance goals under such plan, 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 in Proposal 1 and in connection with Proposals 2, 3 and 4.

Proxies are being requested from the holders of Series A Common Shares and Preferred Shares in connection with the election of eight directors in Proposal 1 and in connection with Proposals 2, 3 and 4.

Whether or not you intend to be present at the meeting, please sign, date and mail your WHITE proxy card(s) in the enclosed business reply envelope to Corporate Election Services, Inc., PO Box 125, Pittsburgh, PA 15230-0125, or vote by phone or the Internet.

How will proxies be voted?

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All properly voted and unrevoked proxies received in the enclosed form in time for our 2014 Annual Meeting will be voted in the manner directed.

If no direction is made, a proxy by any shareholder will be voted FOR the election of the board of directors' nominees to serve as directors in Proposal 1, FOR Proposal 2, FOR Proposal 3 and FOR Proposal 4.

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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 2014 Annual Meeting by written notice to the Secretary of TDS, by submitting a later dated proxy or by attendance and voting in person at the 2014 Annual Meeting.

The board of directors has no knowledge of any other proposals that may be properly presented at the 2014 Annual Meeting and no other proposals were received by TDS by the date specified by the advance notice provision in TDS' Bylaws. Accordingly, as permitted by SEC rules, the proxy solicited by the board of directors for the 2014 Annual Meeting confers discretionary authority to the proxies named therein to vote on any matter that may properly come before such meeting or any postponement, adjournment 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. In particular, if GAMCO solicits proxies in 2014, brokers that do not receive instructions will be prohibited from voting with respect to the election of directors. Such broker non-vote will not be counted as a vote to elect the directors to be elected by the holders of Common Shares. 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 2014 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, represented in person or by proxy, will constitute a quorum to permit the 2014 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 the TDS Voting Trust are present in person or represented by proxy at the 2014 Annual Meeting, such shares will constitute a quorum at the 2014 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.

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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 group issued and outstanding and entitled to vote with respect to such director, present in person or represented by proxy, will constitute a quorum with respect to such election. 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 purposes of establishing a quorum for the election of such director. If Series A Common Shares beneficially owned by the TDS Voting Trust are present in person or represented by proxy at the 2014 Annual Meeting, such shares will constitute a quorum at the 2014 Annual Meeting in connection with the election of directors by the holders of Series A Common Shares and Preferred Shares. If a quorum of the holders of Common Shares is not present at the time the 2014 Annual Meeting is convened, the chairman of the meeting or holders of a majority of the voting power in matters other than the election of directors represented in person or by proxy may adjourn the 2014 Annual Meeting with respect to all proposals or only with respect to the election of directors by the holders of Common Shares.

With respect to Proposals 2, 3 and 4, the holders of a majority of the votes of the stock issued and outstanding and entitled to vote with respect to such proposals, present in person or represented by proxy, will constitute a quorum at the 2014 Annual Meeting in connection with such 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 purposes of establishing a quorum for such proposals. If TDS shares beneficially owned by the TDS Voting Trust are present in person or represented by proxy at the 2014 Annual Meeting, such shares will constitute a quorum at the 2014 Annual Meeting in connection with such proposals.

Even if a quorum is present, holders of a majority of the voting stock represented in person or by proxy may adjourn the 2014 Annual Meeting. Because it holds a majority of the voting power of all classes of stock, the TDS Voting Trust has the voting power to approve an adjournment. TDS does not currently have any expectation that the 2014 Annual Meeting would be adjourned for any reason. However, if there is a proposal to adjourn the 2014 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 to elect directors in Proposal 1?

The holders of Common Shares will vote separately with respect to the election of four directors. The holders of Series A Common Shares and Preferred Shares will vote separately with respect to the election of eight directors.

Directors will be elected by a plurality of the votes cast in the election of directors by the class or group 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 exists, the persons receiving a plurality of the votes cast by shareholders entitled to vote with respect to the election of such directors will be elected to serve as directors. Withheld votes and non-votes with respect to the election of such 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 holders of Series A Common Shares and Preferred Shares, each holder of outstanding Series A Common Shares is entitled to ten votes for each Series A Common Share held in such holder's name and each holder of outstanding Preferred Shares is entitled to one vote for each Preferred Share held in such holder's name.

What vote is required with respect to Proposals 2, 3 and 4?

The holders of Common Shares, Preferred Shares and Series A Common Shares will vote together as a single group with respect to Proposals 2, 3 and 4. Each holder of outstanding Common Shares is entitled to 0.[] vote for each Common Share held in such holder's name. Each holder of

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outstanding Series A Common Shares is entitled to ten votes for each Series A Common Share held in such holder's name. Each holder of outstanding Preferred Shares is entitled to one vote for each Preferred Share held in such holder's name.

If a quorum is present at the 2014 Annual Meeting, the approval of Proposals 2, 3 and 4 will require the affirmative vote of the holders of stock having a majority of the votes which could be cast by the holders of all stock entitled to vote on such question which are present in person or represented by proxy at the meeting. Abstentions by shares entitled to vote on such proposals will be treated as votes which could be cast that are present for such purposes and, accordingly, will effectively count as a vote cast against such proposal. Non-votes with respect to such proposals will not be included in the total of votes which could be cast which are present for purposes of determining whether such proposals are approved, even though they may be included for purposes of determining a quorum. This vote will also satisfy the vote requirements of Section 312.07 of the NYSE Listed Company manual with respect to Proposal 3 relating to the approval of additional shares for the TDS 2011 Long-Term Incentive Plan, which requires that the votes cast in favor must exceed the aggregate of votes cast against and abstentions.

What does it mean if I receive more than one WHITE proxy card?

If you hold multiple series of shares, or hold shares in multiple registrations, you will receive a **WHITE** proxy card for each such account. Please sign, date, and return all **WHITE** proxy cards you receive as described above. If you choose to vote by phone or Internet, please vote each **WHITE** proxy card you receive. Only your latest dated proxy for each account will be voted at the 2014 Annual Meeting.

As noted above, TDS has received a notice from GAMCO that GAMCO intends to nominate two candidates for election by the holders of Common Shares, and you may receive proxy cards from both TDS and GAMCO. Because only the latest dated proxy card for each holding is counted for the election, we may conduct multiple mailings prior to the date of the 2014 Annual Meeting. Therefore, whether or not your initial proxy cards are voted, you may receive more than one **WHITE** proxy card from TDS for each account or registration. This will also ensure that you receive management's latest proxy information and materials prior to the 2014 Annual Meeting.

Your board unanimously recommends that you **NOT** sign any proxy card(s) sent to you by GAMCO. If you have previously signed any proxy card(s) sent to you by GAMCO, you can revoke it by voting the enclosed **WHITE** proxy card or any subsequent **WHITE** proxy card provided by TDS.

Can I change my vote or revoke my proxy?

Yes. You can change your vote or revoke your proxy at any time before it is voted at the 2014 Annual Meeting by voting a later-dated proxy or by voting by ballot at the meeting.

Voting against or withholding votes with respect to the GAMCO candidates on the proxy card provided by GAMCO will not be counted as a vote for the TDS nominee(s) and could result in the revocation of any previous vote you may have cast for such TDS nominee(s) on a **WHITE** proxy card.

If you vote a proxy card provided by GAMCO, you have the right to change such vote by voting a **WHITE** proxy card provided by TDS. Only the latest dated proxy card you vote will be counted for election purposes.

Who pays the solicitation expenses for this 2014 Proxy Statement and related TDS materials?

TDS does. Your proxy is being solicited by the TDS board of directors and its agents, and the cost of solicitation will be paid by TDS. Officers, directors and regular employees of TDS, acting on the behalf of the TDS board of directors, may also solicit proxies by mail, email, advertisement, telephone, telecopy, press release, employee communication, postings on TDS' Internet website and Intranet website or in person. We will not pay such persons additional compensation for their proxy solicitation efforts. TDS has also retained MacKenzie Partners, Inc. to assist in the solicitation of proxies. TDS will, at its expense, request brokers and other custodians, nominees and fiduciaries to forward proxy soliciting material to the

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beneficial owners of shares held of record by such persons. TDS expects to pay MacKenzie Partners, Inc. a fee of approximately \$[] relating to the solicitation of proxies for the contested election of directors in 2014. It is anticipated that MacKenzie Partners, Inc. will employ approximately [] persons to solicit proxies for the 2014 Annual Meeting.

Our expenses related to the solicitation, including expenditures for printing, legal, accounting, public relations, soliciting, advertising and related expenses, including the above fees of MacKenzie Partners, Inc. in excess of those normally spent for an annual meeting with an uncontested director election and excluding salaries and wages of our regular employees and officers, are currently expected to be approximately \$[], of which approximately \$ [] has been spent to date.

Certain information about the directors and certain officers and employees of TDS who may solicit proxies is set forth in the attached Schedule I, which is incorporated by reference herein. Schedule II, attached hereto, sets forth certain additional information with respect to such persons and is also incorporated by reference herein.

Who should I call if I have any questions?

If you have any questions, or need assistance voting, please contact our proxy solicitor, MacKenzie Partners, Inc. at (800) 322-2885 (Call Toll Free) or (212) 929-5500 (Call Collect) or by email to TDS@mackenziepartners.com.

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BACKGROUND OF RECENT EVENTS

GAMCO has been a shareholder of TDS for many years and currently owns more than 5% of the TDS Common Shares (see "Security Ownership of Certain Beneficial Owners and Management" below). GAMCO manages private advisory accounts, mutual funds and closed-end funds.

In February 2009, GAMCO notified TDS that it intended to nominate four persons for election as directors by the holders of publicly-traded common stock of TDS at the 2009 Annual Meeting. Following discussions between TDS and GAMCO, TDS and GAMCO entered into the Settlement Agreement in April 2009. Pursuant to the Settlement Agreement, the TDS board of directors nominated two persons recommended by GAMCO, Clarence A. Davis and Gary L. Sugarman, for election as directors by the holders of publicly-traded common stock at the 2009 Annual Meeting. As a result, two persons who had been directors of TDS ceased to be directors of TDS at the 2009 Annual Meeting, and Messrs. Davis and Sugarman were elected as directors of TDS to fill the seats vacated by such persons. Pursuant to the Settlement Agreement, GAMCO withdrew the notice of its intention to nominate four persons as directors and agreed not to nominate persons for election at the 2009 or 2010 Annual Meeting. The obligations under the Settlement Agreement expired in 2010 and neither TDS nor GAMCO has any further obligations under the Settlement Agreement.

Notwithstanding the expiration of the obligations under the Settlement Agreement, the TDS board of directors has continued to nominate Clarence A. Davis and Gary L. Sugarman as directors of TDS at subsequent annual meetings. As a result, two of the four incumbent directors who were elected by holders of Common Shares were initially recommended by GAMCO.

GAMCO nominated a candidate for election as a director by the holders of Common Shares at the 2013 Annual Meeting, but this candidate did not receive sufficient votes to be elected as a director.

On December 5, 2013, GAMCO sent a letter to TDS and filed an amendment to its Schedule 13D with respect to Common Shares. In that letter, GAMCO indicated that it may submit recommendations of one or more individuals as nominee for director to the TDS Corporate Governance and Nominating Committee for election at the 2014 Annual Meeting.

On February 20, 2014, GAMCO sent a notice to TDS and filed an amendment to its Schedule 13D with respect to Common Shares disclosing its intention to nominate Philip T. Blazek and Walter M. Schenker, who we refer to as the "GAMCO Candidates," for election as a director at the 2014 Annual Meeting by the holders of Common Shares.

The TDS Corporate Governance and Nominating Committee (the members of which are Walter C.D. Carlson (chairman), LeRoy T. Carlson, Jr. and Mitchell H. Saranow) and your board of directors proceeded to consider the background, experience and qualifications of the GAMCO Candidates based upon the information provided and available to them. The TDS Corporate Governance and Nominating Committee and your board of directors also considered the background, experience and qualifications of the persons currently serving as directors.

In connection with the 2014 Annual Meeting, the TDS Corporate Governance and Nominating Committee determined to recommend that Clarence A. Davis, George W. Off, Mitchell H. Saranow and Gary L. Sugarman (currently incumbent directors who were elected by the holders of Common Shares at the 2013 Annual Meeting), be nominated for election as directors by the holders of Common Shares at the 2014 Annual Meeting.

Based on the foregoing considerations, the TDS Corporate Governance and Nominating Committee unanimously recommended that the TDS board of directors nominate Messrs. Davis, Off, Saranow and Sugarman for election as directors by the holders of Common Shares (except that Mr. Saranow abstained with respect to his recommendation). Based on the recommendation of the TDS Corporate Governance and Nominating Committee and the foregoing considerations, the TDS board of directors nominated Messrs. Davis, Off, Saranow and Sugarman for election as directors by the holders of Common Shares at the 2014 Annual Meeting.

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Your board unanimously recommends that the holders of Common Shares vote FOR the election of Clarence A. Davis, George W. Off, Mitchell H. Saranow and Gary L. Sugarman as directors.

Please cast your vote for the nominees of our board of directors by voting the enclosed **WHITE** proxy card(s). The TDS board of directors urges shareholders **NOT** to vote any proxy cards distributed by GAMCO.

YOUR VOTE IS IMPORTANT, NO MATTER HOW MANY SHARES YOU OWN. PLEASE SIGN AND DATE THE ENCLOSED **WHITE** PROXY CARD(S) AND MAIL SUCH CARD(S) IN THE ENCLOSED BUSINESS REPLY ENVELOPE PROMPTLY, OR VOTE BY PHONE OR ON THE INTERNET IN ACCORDANCE WITH THE INSTRUCTIONS SET FORTH ON THE **WHITE** PROXY CARD(S). PROPERLY VOTING THE ENCLOSED **WHITE** PROXY CARD(S) AUTOMATICALLY REVOKES ANY PROXY PREVIOUSLY VOTED BY YOU.

WE URGE YOU TO ONLY VOTE **WHITE** PROXY CARD(S) DISTRIBUTED BY TDS AND DISREGARD ANY OTHER PROXY CARDS THAT YOU MAY RECEIVE. If you vote a proxy card provided by GAMCO, you have the right to change such vote by voting a **WHITE** proxy card provided by TDS.

REMEMBER, ONLY YOUR LATEST DATED PROXY CARD WILL COUNT AT THE MEETING.

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**PROPOSAL 1
ELECTION OF DIRECTORS**

The terms of all incumbent directors will expire at the 2014 Annual Meeting. The board of directors' nominees for election of directors are identified in the tables below. Each of the nominees has consented to be named in the 2014 Proxy Statement and consented to serve if elected. The age of the following persons is as of the date of this 2014 Proxy Statement.

To be Elected by Holders of Common Shares

<i>Name</i>	<i>Age</i>	<i>Position with TDS and Principal Occupation</i>	<i>Served as Director since</i>
Clarence A. Davis	72	Director of TDS and Business Consultant	2009
George W. Off	67	Director of TDS, Private Investor and retired Director and Chairman of Checkpoint Systems, Inc.	1997
Mitchell H. Saranow	68	Director of TDS and Chairman of The Saranow Group, L.L.C.	2004
Gary L. Sugarman	61	Director of TDS, Managing Member Richfield Capital Partners and Principal of Richfield Associates, Inc.	2009

Your board of directors unanimously recommends a vote "FOR" the election of each of the above nominees for election by the holders of Common Shares on the enclosed WHITE proxy card(s) and urges you not to sign or return any proxy card that you may receive from GAMCO.

To be Elected by Holders of Series A Common Shares and Preferred Shares

<i>Name</i>	<i>Age</i>	<i>Position with TDS and Principal Occupation</i>	<i>Served as Director since</i>
LeRoy T. Carlson, Jr.	67	Director and President and Chief Executive Officer of TDS	1968
Letitia G. Carlson, M.D.	53	Director of TDS and Physician and Associate Clinical Professor at George Washington University Medical Center	1996
Prudence E. Carlson	62	Director of TDS and Private Investor	2008
Walter C.D. Carlson	60	Director and non-executive Chairman of the Board of TDS and Partner, Sidley Austin LLP, Chicago, Illinois	1981
Kenneth R. Meyers	60	Director of TDS and President and Chief Executive Officer of U.S. Cellular (a deemed executive officer of TDS)	2007
Donald C. Nebergall	85	Director of TDS and Consultant	1977
Christopher D. O'Leary	54	Director of TDS and Executive Vice President, Chief Operating Officer International of General Mills, Inc.	2006
Herbert S. Wander	79	Director of TDS and Partner, Katten Muchin Rosenman LLP, Chicago, Illinois	1968

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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 TDS. 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 TDS, in light of TDS' business and structure, including information about the person's particular areas of expertise or other relevant qualifications. Except as discussed below under "Director Nomination Process", TDS does not have any specific, minimum qualifications that the board believes must be met by a nominee for a position on the TDS board of directors, or any specific qualities or skills that the board believes are necessary for one or more of the TDS directors to possess. The TDS board believes that substantial judgment, diligence and care are required to identify and select qualified persons as directors. The TDS board has consistently sought to nominate to the board of directors eminently qualified individuals whom the board believes would provide substantial benefit and guidance to TDS. Also, as discussed below under "Director Nomination Process", TDS 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 TDS is based in part on the fact that TDS 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 the TDS Voting Trust has over 90% of the voting power in the election of directors elected by holders of Series A Common Shares and Preferred Shares, nominations of directors for election by the holders of Series A Common Shares and Preferred Shares are based on the recommendation of the trustees of the TDS Voting Trust.

Nominees for Election by Holders of Common Shares

Clarence A. Davis. Clarence A. Davis is currently a director who was last elected by the holders of Common Shares at the 2013 annual meeting. He initially was nominated to the TDS board of directors pursuant to a Settlement Agreement with GAMCO relating to a proxy contest in 2009 as indicated above. Although TDS initially nominated Mr. Davis to the TDS board of directors in 2009 as part of such settlement, after observing the performance and contributions of Mr. Davis on the TDS board of directors since that time, the TDS board of directors has re-nominated Mr. Davis to the TDS board of directors each year since 2010. The following provides information on the background of Mr. Davis, including the specific factors that led to the conclusion that he should serve as a director of TDS:

Mr. Davis has experience with TDS and its subsidiaries and the industries in which they operate as a director of TDS since 2009. He has also been a member of the TDS Audit Committee since 2010 and has been designated an "audit committee financial expert" on that committee since 2012.

Mr. Davis is currently a business consultant.

Mr. Davis was previously a director of Nestor, Inc., a software solutions company (formerly NASDAQ: NEST), and was a member and the chairman of Nestor's audit committee. He was the chief executive officer and an employee of Nestor from August 2007 until January 2009. Within the last ten years, Nestor successfully petitioned the Rhode Island Superior Court for a court-appointed receiver who assumed all aspects of the company's operations in June 2009. The receiver sold the assets of Nestor to American Traffic Solutions in September 2009. Mr. Davis ceased to be a director of Nestor at that time.

From May 2006 to August 2007, Mr. Davis was an independent consultant, and from September 2005 through May 2006, he served as a consultant to the National Headquarters, American Red Cross, which provides disaster relief, health and safety courses, humanitarian services and other services around the world.

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Prior thereto, Mr. Davis was employed by the American Institute of Certified Public Accountants ("AICPA"), serving as chief financial officer from 1998 through 2000 and chief operating officer from 2000 through 2005.

Prior thereto, Mr. Davis operated Clarence A. Davis Enterprises, Inc., a financial and organizational consulting firm, between 1990 and 1998.

Mr. Davis was an accountant at the public accounting firm of Spicer & Oppenheim and a predecessor public accounting firm between 1967 and 1990, and was a partner at such firm between 1979 and 1990.

Mr. Davis is a Certified Public Accountant (inactive). Mr. Davis has a Bachelor of Science degree in Accounting from Long Island University.

Mr. Davis is, and has been since 2007, a member of the board of directors and board of trustees of The Gabelli SRI Green Fund and The GDL Fund, respectively, which are registered investment companies that are managed by GAMCO. Mr. Davis is a member of the audit committee of each of such funds. (As noted above, TDS was previously a party to a Settlement Agreement with GAMCO as indicated above that resulted in the initial nomination of Mr. Davis as a director of TDS in 2009.)

In addition, between 2009 and January 2012, Mr. Davis was a director of Sonesta International Hotels (NASDAQ: SNSTA), a company that operates hotels, and was a member of its audit committee. Sonesta International Hotels was acquired in January 2012 and Mr. Davis is no longer a director thereof or member of its audit committee.

Between 2009 and January 2012, Mr. Davis was a director of Pennichuck Corp. (NASDAQ: PNNW), a water utility company, and was a member of its audit committee. Pennichuck Corp. was acquired in January 2012 and Mr. Davis is no longer a director thereof or member of its audit committee.

In 2011, Mr. Davis was appointed as a director of Bizequity.com, a private company and website that provides capital, knowledge and talent for emerging growth companies. In October 2011, Bizequity.com announced that Mr. Davis was appointed as its Chairman.

Between 2005 and 2006, Mr. Davis was a director of Oneida Ltd., a privately-held company which designs and distributes stainless steel and silverplated flatware.

Mr. Davis is a member of the board of directors of West Broad Street YMCA in Savannah, Georgia, and is named in Who's Who Among African Americans.

Mr. Davis brings to the TDS board of directors substantial experience, expertise and qualifications as a director of TDS for several years, as a director and former chief executive officer of a public technology company, as a chief financial officer and chief operating officer of the AICPA and as a director or trustee of investment funds. In addition, he has substantial experience, expertise and qualifications in accounting as a result of having been a chief financial officer of the AICPA and a Certified Public Accountant in a public accounting firm for many years, and as a result of being or having been a member of six audit committees, including the TDS Audit Committee since 2010. Further, his background and attributes bring diversity to the board.

George W. Off. George W. Off is currently a director who was last elected by the holders of Common Shares at the 2013 annual meeting. Mr. Off was initially nominated as a director based on a search conducted by TDS' executive search firm. The following provides information on the background of Mr. Off, including the specific factors that led to the conclusion that he should serve as a director of TDS:

Mr. Off has significant experience with TDS and its subsidiaries and the industries in which they operate as a director of TDS since 1997. He has also been a member of the TDS Compensation Committee and a member and chairperson of the TDS Audit Committee for many years.

After many years of high-level business experience, Mr. Off is now a private investor.

In February 2012, Mr. Off was appointed as a director of The Retail Equation, a privately-held company that provides solutions to retailers to optimize revenues and margins.

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In May 2011, Mr. Off was appointed as a director and interim chief executive officer of Catalina Marketing Corporation, a privately-held provider of in-store electronic marketing services, of which Mr. Off was previously an officer and director, as discussed below. Mr. Off served as a director and interim chief executive officer until the appointment of a permanent replacement in October 2011.

Before he retired in 2009, Mr. Off was a director of Checkpoint Systems, Inc. (NYSE: CKP) from 2002 to 2009, and was its chairman between 2002 and 2008. He was also the chief executive officer of Checkpoint Systems, Inc. between 2002 and 2007. Checkpoint Systems is a multinational manufacturer and marketer of integrated system solutions for retail security, labeling and merchandising.

Prior to that, Mr. Off was chairman of the board of directors of Catalina Marketing Corporation, which at the time was a NYSE listed company (formerly NYSE: POS), from 1998 until 2000. Mr. Off served as president and chief executive officer of Catalina from 1994 to 1998. Catalina was acquired and became privately-held in 2007.

Between 2011 and 2012, Mr. Off was a director of Infinian Mobile Commerce & Analytic Solutions Inc., a private start-up company that provides promotions and coupons for mobile phones.

Mr. Off has a Bachelor of Science degree from the Colorado School of Mines.

Mr. Off brings to the TDS board of directors substantial experience, expertise and qualifications as a director of TDS for many years. He also has significant experience in marketing and management as a result of his prior positions as a director and as chief executive officer and chairman of Checkpoint Systems, Inc. and of Catalina Marketing Corporation. Because of the retail nature of the TDS businesses, the TDS board of directors believes that it is highly desirable to have a director with significant knowledge and experience in retail and marketing, as well as significant, high-level experience in managing retail businesses. In addition, Mr. Off has significant experience as a member of the TDS Audit Committee and the TDS Compensation Committee for many years.

Mitchell H. Saranow. Mitchell H. Saranow is currently a director who was last elected by the holders of Common Shares at the 2013 annual meeting. The following provides information on the background of Mr. Saranow, including the specific factors that led to the conclusion that he should serve as a director of TDS:

Mr. Saranow has significant experience with TDS and its subsidiaries and the industries in which they operate as a director of TDS since 2004. He has also been a member of the TDS Audit Committee and designated an "audit committee financial expert" on that committee since 2004. He has also been a member of the TDS Corporate Governance and Nominating Committee since 2004.

Mr. Saranow is chairman of The Saranow Group, L.L.C., a family-owned investment company he founded in 1984, through which Mr. Saranow founded or co-founded, developed and sold several successful ventures.

Mr. Saranow was chairman of SureTint Technologies, LLC, a privately-held company which he founded that is involved in commercializing a series of inventions in the field of automated hair color preparation, from 2008 to 2013.

Mr. Saranow was chairman of the board and co-chief executive officer of Navigant Consulting, Inc. (NYSE: NCI), which provides consulting services to various industries on an international level, from November 1999 to June 2000. During this period, Mr. Saranow was also a director of Navigant Consulting, Inc. and a member of its audit committee.

In addition, he served as chairman and managing general partner of Fluid Management, L.P. for more than five years until it was acquired in 1996. Fluid Management was a privately-held specialized equipment manufacturer which was the world leader in designing, manufacturing and distributing custom color dispensing and mixing equipment for the paint, coatings, ink and personal care industries.

Earlier in his career, Mr. Saranow was vice president and chief financial officer of CFS Continental, Inc. (OTC: CFS), a food service distribution company, vice president of finance and law of Sunmark Companies, a privately-held snack food manufacturer, a venture capital officer at Warburg,

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Paribus, Becker, Inc., specializing in financing a cable television company, and an attorney with Mayer, Brown and Platt in Chicago, Illinois.

Mr. Saranow is also a Certified Public Accountant (inactive) and was a senior lecturer in financial reporting and controls at Harvard Business School.

Within the last ten years, Mr. Saranow served as chief executive officer of two related Dutch companies which were sold under Dutch insolvency laws in 2008.

Mr. Saranow also was formerly a director of Lawson Products, Inc. (NASDAQ: LAWS), which distributes industrial maintenance and repair supplies, North American Scientific, Inc. (NASDAQ: NASM), which designs, develops, manufactures, and sells radioisotopic products for the treatment of cancer, and Telular Corp. (NASDAQ: WRLS), which designs, develops, manufactures and markets fixed cellular products. At Lawson Products, Mr. Saranow was a member and chairman of the nominating and corporate governance committee and the financial strategies committee and was a member of the audit committee and the compensation committee. Mr. Saranow also was a member and an "audit committee financial expert" of the audit committee of North American Scientific and a member and chairman of the audit committee of Telular Corp.

Mr. Saranow has a JD/MBA degree from Harvard University.

Mr. Saranow brings to the TDS board of directors substantial experience, expertise and qualifications as a director of TDS for many years, and a result of his extensive background. Mr. Saranow is a Certified Public Accountant (inactive) and formerly was a senior lecturer in financial reporting and controls at Harvard Business School. He has been an accountant, lawyer and investment banker and a chief financial officer, chief executive officer and/or chairman at multiple companies. Mr. Saranow has founded or co-founded, developed and sold several ventures. He has significant experience as an officer of two public companies, and a director of five public companies, including TDS. He has been a member of the audit committees of all five of the companies on which he served as a director, and was designated an audit committee financial expert by two of such companies, including TDS. In addition, Mr. Saranow brings to the board of directors experience and qualifications with respect to TDS and the telecommunications industry as a result of his earlier experience in the cable television industry and his service as a director of TDS and as an audit committee financial expert on the TDS Audit Committee for over five years. In addition, he has significant experience as a member of the TDS Corporate Governance and Nominating Committee for many years.

Gary L. Sugarman. Gary L. Sugarman is currently a director who was last elected by the holders of Common Shares at the 2013 annual meeting. He initially was nominated to the TDS board of directors pursuant to a Settlement Agreement with GAMCO relating to a proxy contest in 2009 as indicated above. Although TDS initially nominated Mr. Sugarman to the TDS board of directors in 2009 as part of such settlement, after observing the performance and contributions of Mr. Sugarman on the TDS board of directors since that time, the TDS board of directors has re-nominated Mr. Sugarman to the TDS board of directors each year since 2010. The following provides information on the background of Mr. Sugarman, including the specific factors that led to the conclusion that he should serve as a director of TDS:

Mr. Sugarman has experience with TDS and its subsidiaries and the industries in which they operate as a director of TDS since 2009. In addition, Mr. Sugarman has been a member of the TDS Compensation Committee since 2010.

Mr. Sugarman was appointed as a director of Otelco Inc. (NASDAQ: OTEL), a telecommunications company, and a member and the chairman of its nominating and corporate governance committee, in May 2013.

Mr. Sugarman founded and has been the managing member of Richfield Capital Partners, a private venture capital firm, since 2010. Mr. Sugarman is also principal of Richfield Associates, Inc., a privately-held telecom investment/merchant banking firm he founded in 1994.

In November 2010, Richfield Capital Partners invested in FXecosystem, Inc., a private infrastructure provider to foreign exchange markets. In connection with this investment, Mr. Sugarman became a director and executive chairman of FXecosystem, Inc. He served in this capacity between 2010 and 2013.

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Previously, Mr. Sugarman was the executive chairman of Verosity Technology Partners, a privately-held facilities-based fiber network provider, between December 2007 and September 2010.

Mr. Sugarman was on the board of directors of PrairieWave Communications, Inc., a privately-held over-builder providing telecommunications and cable television service in South Dakota, Iowa and Minnesota, from 2003 until it was sold in 2007.

Prior to that, he served as chairman and chief executive officer of Mid-Maine Communications, a privately-held facilities-based telecom company, from the time he co-founded the company in 1994 until it was sold in 2006.

Prior thereto, Mr. Sugarman held various operating positions at Rochester Telephone Company (now known as Frontier Corporation (NYSE: FTR)), a public telecommunications company, from 1984 to 1991, including as Director of Business Development, in which capacity he was involved in many acquisitions and other development activities in the telecommunications industry.

Mr. Sugarman is currently a director of LICT Corporation (OTC: LICT), a telecommunications company that provides broadband and voice services. (Mario J. Gabelli, who is the chairman of and may be deemed to control LICT Corporation, controls GAMCO. As noted above, TDS was previously a party to a Settlement Agreement that resulted in the initial nomination of Mr. Sugarman as a director of TDS in 2009.)

Mr. Sugarman has an MBA from the University at Buffalo State University of New York.

Mr. Sugarman brings to the TDS board of directors substantial experience, expertise and qualifications as a director of TDS for several years, and in the telecommunications industry as a result of his current positions at Otelco Inc. and LICT Corporation and his many years of prior experience with other companies in the telecommunications industry. Mr. Sugarman also has management experience as past executive chairman of FXecosystem, Inc. and Verosity Technology Partners and as chairman and chief executive officer of Mid-Maine Communications, a company that he co-founded, has been a director of business development of a public telecommunications company and has substantial experience in acquisitions and development activities in the telecommunications industry. In addition, he has experience as a member of the TDS Compensation Committee since 2010.

Your board of directors unanimously recommends a vote "FOR" each of the above nominees for election by the holders of Common Shares.

Nominees for Election by Holders of Series A Common Shares and Preferred Shares

LeRoy T. Carlson, Jr. LeRoy T. Carlson, Jr. is currently a director who was last elected by the holders of Series A Common Shares and Preferred Shares at the 2013 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 TDS:

Mr. Carlson has extensive experience with TDS and its subsidiaries and the industries in which they operate as an investor in TDS for many years, a trustee of the TDS Voting Trust for many years, and an officer and/or director of TDS since TDS was founded in 1968. He has also been a member of the TDS Corporate Governance and Nominating Committee since 2004.

LeRoy T. Carlson, Jr. is 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.

LeRoy T. Carlson, Jr. has been a director of United States Cellular Corporation (NYSE: USM), a subsidiary of TDS which operates and invests in wireless telephone companies and properties ("U.S. Cellular"), since 1984, and has been its Chairman (an executive officer) since 1989. He has also been a director of TDS Telecommunications Corporation, a wholly owned subsidiary of TDS which operates local telephone companies ("TDS Telecom"), and its Chairman (an executive officer) for over 25 years.

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.

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Mr. Carlson has an MBA from Harvard University.

Mr. Carlson is one of the four largest beneficial owners of TDS Series A Common Shares and also beneficially owns a significant number of TDS Common Shares.

Mr. Carlson brings to the TDS board of directors substantial experience, expertise and qualifications with respect to TDS and its subsidiaries and the industries in which they operate as a result of his many years as an investor in TDS, a trustee of the TDS Voting Trust, a director and President and Chief Executive Officer of TDS, and a director and Chairman of its two principal business units. As the senior executive officer of TDS and each of its business units, the board of directors considers it essential that Mr. Carlson serve on the TDS board to provide the board with his views on strategy and operations of TDS and its business units. In addition, as a shareholder with a significant economic stake in TDS, Mr. Carlson provides to the TDS board of directors the perspective of shareholders in managing and operating TDS in the long-term interests of shareholders. He also has experience as a member of the TDS Corporate Governance and Nominating Committee since 2004.

LeRoy T. Carlson, Jr. is the son of LeRoy T. Carlson and the brother of Walter C.D. Carlson, Letitia G. Carlson, M.D. and Prudence E. Carlson.

Letitia G. Carlson, M.D. Letitia G. Carlson, M.D. is currently a director who was last elected by the holders of Series A Common Shares and Preferred Shares at the 2013 annual meeting. The following provides information on the background of Dr. Carlson, including the specific factors that led to the conclusion that she should serve as a director of TDS:

Dr. Carlson has significant experience with TDS and its subsidiaries and the industries in which they operate as an investor in TDS for many years, as a trustee of the TDS Voting Trust for many years, and as a director of TDS since 1996.

Dr. Carlson has been a physician at George Washington University Medical Center for over twenty years.

At such medical center, she was a primary care fellow between 1990 and 1992, an assistant professor between 1992 and 2001 and an assistant clinical professor between 2001 and 2003, and has been an associate clinical professor since 2003.

Dr. Carlson has an M.D. from Harvard Medical School.

Dr. Carlson is one of the four largest beneficial owners of TDS Series A Common Shares and also beneficially owns a significant number of TDS Common Shares.

Dr. Carlson brings to the TDS board of directors substantial experience, expertise and qualifications with respect to TDS and its subsidiaries and the industries in which they operate as a result of her many years as an investor in TDS, as a trustee of the TDS Voting Trust, and as a director of TDS. Further, her background and attributes bring diversity to the board. In addition, as a shareholder with a significant economic stake in TDS, Dr. Carlson provides to the TDS board of directors the perspective of shareholders in managing and operating TDS in the long-term interests of shareholders.

Dr. Carlson is the daughter of LeRoy T. Carlson and the sister of LeRoy T. Carlson, Jr., Walter C.D. Carlson and Prudence E. Carlson.

Prudence E. Carlson. Prudence E. Carlson is currently a director who was last elected by the holders of Series A Common Shares and Preferred Shares at the 2013 annual meeting. She was initially elected as a director based on the recommendation of the trustees of the TDS Voting Trust, which holds over 90% of the Series A Common Shares. The following provides information on the background of Ms. Carlson, including the specific factors that led to the conclusion that she should serve as a director of TDS:

Ms. Carlson has significant experience with TDS and its subsidiaries and the industries in which they operate as an investor in TDS for many years, as a trustee of the TDS Voting Trust for many years, and as a director of TDS since 2008.

Ms. Carlson has a Bachelor of Arts degree from Harvard University.

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Ms. Carlson has been a private investor for more than five years. Ms. Carlson is one of the four largest beneficial owners of TDS Series A Common Shares and also beneficially owns a significant number of TDS Common Shares.

Ms. Carlson is the daughter of LeRoy T. Carlson and the sister of LeRoy T. Carlson, Jr., Walter C.D. Carlson and Letitia G. Carlson, M.D. Ms. Carlson was elected to the TDS board of directors in 2008 to fill the vacancy created on the board of directors by the decision of LeRoy T. Carlson not to stand for election in 2008. As a director elected by the holders of Series A Common Shares and Preferred Shares, the decision to nominate Ms. Carlson was based primarily on the recommendation of the trustees of the TDS Voting Trust.

Ms. Carlson brings to the TDS board of directors experience with respect to TDS and its subsidiaries and the industries in which they operate as a result of her many years as an investor in TDS, as a trustee of the TDS Voting Trust, and as a director of TDS. Further, her background and attributes bring diversity to the board. In addition, as a shareholder with a significant economic stake in TDS, Ms. Carlson provides to the TDS board of directors the perspective of shareholders in managing and operating TDS in the long-term interests of shareholders.

Walter C.D. Carlson. Walter C.D. Carlson is currently a director who was last elected by the holders of Series A Common Shares and Preferred Shares at the 2013 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 TDS:

Mr. Carlson has significant experience with TDS and its subsidiaries and the industries in which they operate as an investor in TDS for many years, as a trustee of the TDS Voting Trust for many years, and as a director of TDS since 1981. In addition, he has been the non-executive Chairman of the Board of TDS since 2002. He has also been a member and the chairperson of the TDS Corporate Governance and Nominating Committee since 2004.

Mr. Carlson has been a partner of the law firm of Sidley Austin LLP for more than 20 years and is a member of its executive committee. Mr. Carlson is an experienced litigator, and has represented public and private corporate clients in a variety of types of specialized and general commercial litigation. Mr. Carlson is the head of the Financial and Securities Litigation group in the Chicago office of Sidley Austin LLP. The law firm of Sidley Austin LLP provides legal services to TDS, U.S. Cellular and their subsidiaries on a regular basis. See "Certain Relationships and Related Transactions" below. Walter C.D. Carlson does not provide legal services to TDS, U.S. Cellular or their subsidiaries.

Mr. Carlson has been a director of U.S. Cellular (NYSE: USM) since 1989.

Mr. Carlson was previously a director of former TDS subsidiary Aerial Communications, Inc. (formerly NASDAQ: AERL).

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

Mr. Carlson is one of the four largest beneficial owners of TDS Series A Common Shares and also beneficially owns a significant number of TDS Common Shares.

Mr. Carlson brings to the TDS board of directors substantial experience, expertise and qualifications with respect to TDS and its subsidiaries and the industries in which they operate as a result of his many years as an investor in TDS, as a trustee of the TDS Voting Trust, as a director of TDS and U.S. Cellular, as Chairman of the Board of TDS, and as a result of having represented many public and private corporate clients. In addition, as a shareholder with a significant economic stake in TDS, Mr. Carlson provides to the TDS board of directors the perspective of shareholders in managing and operating TDS in the long-term interests of shareholders. He also has experience as a member and the chairperson of the TDS Corporate Governance and Nominating Committee since 2004.

Walter C.D. Carlson is the son of LeRoy T. Carlson and the brother of LeRoy T. Carlson, Jr., Letitia G. Carlson, M.D. and Prudence E. Carlson.

Kenneth R. Meyers. Kenneth R. Meyers is currently a director who was last elected by the holders of Series A Common Shares and Preferred Shares at the 2013 annual meeting. The following provides

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information on the background of Mr. Meyers, including the specific factors that led to the conclusion that he should serve as a director of TDS:

Mr. Meyers has extensive experience with TDS and U.S. Cellular and the industries in which they operate as an employee, officer and/or director of TDS and/or U.S. Cellular for many years, as detailed below.

Effective 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 July 19, 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 2007, he was the Executive Vice President Finance, Chief Financial Officer and Treasurer of U.S. Cellular since 1999. Prior to that, Mr. Meyers was Senior Vice President-Finance (Chief Financial Officer) and Treasurer of U.S. Cellular from 1997 to 1999 and was the Vice President-Finance (Chief Financial Officer) and Treasurer of U.S. Cellular for more than five years prior to 1997. Mr. Meyers had been employed by U.S. Cellular in accounting and financial capacities since 1987.

Mr. Meyers has also been a director of U.S. Cellular since 1999 and a director of TDS Telecom since 2007.

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 brings to the TDS board of directors substantial experience, expertise and qualifications with respect to TDS and its subsidiaries and the industries in which they operate as a result of his background as a director of TDS and U.S. Cellular for many years, as President and Chief Executive Officer of U.S. Cellular since June 2013, as Executive Vice President and Chief Financial Officer of TDS between 2007 and July 2013, and as a result of his many years in other offices and positions at U.S. Cellular. He also brings substantial experience, expertise and qualifications in TDS' businesses and in management, finance and accounting as a result of such background. As the President and Chief Executive Officer of U.S. Cellular, TDS' largest business unit, the board of directors considers it appropriate and beneficial for Mr. Meyers to serve on the TDS board to provide the board with his views on strategy and operations of U.S. Cellular.

Donald C. Nebergall. Donald C. Nebergall is currently a director who was last elected by the holders of Series A Common Shares and Preferred Shares at the 2013 annual meeting. The following provides information on the background of Mr. Nebergall, including the specific factors that led to the conclusion that he should serve as a director of TDS:

Mr. Nebergall has extensive experience with TDS and its subsidiaries and the industries in which they operate as a director of TDS since 1977. He has also been a member of the TDS Audit Committee for many years.

Mr. Nebergall has been a consultant to companies since 1988, including TDS from 1988 to 2002.

Mr. Nebergall was vice president of The Chapman Company, a privately-held registered investment advisory company located in Cedar Rapids, Iowa, from 1986 to 1988.

Prior to that, he was the chairman of Brenton Bank & Trust Company, Cedar Rapids, Iowa, from 1982 to 1986, and was its president from 1972 to 1982.

Mr. Nebergall also is or has been a board member of several private, civic and charitable organizations.

Mr. Nebergall also manages several family farms.

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Mr. Nebergall has a Bachelor of Science degree in Agricultural Economics from Iowa State University.

Mr. Nebergall brings to the TDS board of directors substantial experience, expertise and qualifications with respect to TDS and its subsidiaries and the industries in which they operate as a result of his many years as a director of TDS and his background as a consultant to TDS. He also brings experience and knowledge as a result of his background in investment advisory services and banking and as a result of his board service for several organizations.

Christopher D. O'Leary. Christopher D. O'Leary is currently a director who was last elected by the holders of Series A Common Shares and Preferred Shares at the 2013 annual meeting. He was initially nominated as a director based on a search conducted by TDS' executive search firm. The following provides information on the background of Mr. O'Leary, including the specific factors that led to the conclusion that he should serve as a director of TDS:

Mr. O'Leary has significant experience with TDS and its subsidiaries and the industries in which they operate as a director of TDS since 2006. He has also been a member of the TDS Compensation Committee for many years.

In June 2006, Christopher D. O'Leary was appointed executive vice president, chief operating officer international of General Mills, Inc. (NYSE: GIS), which manufactures and markets branded consumer foods on a worldwide basis. In this capacity, he oversees over 14,000 employees in over 100 countries. Before that, he was a senior vice president of General Mills since 1999. In addition, he was the president of the General Mills Meals division between 2001 and 2006 and was the president of the Betty Crocker division between 1999 and 2001. Mr. O'Leary joined General Mills in 1997.

Prior to his employment with General Mills, Mr. O'Leary was employed for 17 years with PepsiCo (NYSE: PEP), which manufactures, markets, and sells various snacks, beverages and foods on a worldwide basis. His assignments included leadership roles for the Walkers-Smiths business in the United Kingdom and the Hostess Frito-Lay business in Canada.

Mr. O'Leary has an MBA from New York University.

Mr. O'Leary brings to the TDS board of directors substantial experience, expertise and qualifications as a result of his many years as a director of TDS and as a result of his over 30 years experience in retail and marketing. In addition, Mr. O'Leary has over 15 years of significant and high-level experience in management of large retail businesses with a large number of employees, including dealing with businesses outside the U.S. Because of the retail nature of the TDS businesses, the TDS board of directors believes that it is highly desirable to have a director with significant knowledge and experience in retail and marketing, as well as significant, high-level experience in managing retail businesses. In addition, he has experience as a member of the TDS Compensation Committee for many years.

Herbert S. Wander. Herbert S. Wander is currently a director who was last elected by the holders of Series A Common Shares and Preferred Shares at the 2013 annual meeting. The following provides information on the background of Mr. Wander, including the specific factors that led to the conclusion that he should serve as a director of TDS:

Mr. Wander has extensive experience with TDS and its subsidiaries and the industries in which they operate as a director of TDS since its founding in 1968. He has also been a member of the TDS Audit Committee and a member and chairperson of the TDS Compensation Committee for many years.

Herbert S. Wander has been a partner of the law firm of Katten Muchin Rosenman LLP for more than 30 years. He has been a lawyer for over 50 years, concentrating on all aspects of business law, including corporate governance and business acquisitions. Katten Muchin Rosenman LLP does not provide legal services to TDS or its subsidiaries.

In 2004, Mr. Wander was appointed by the chairman of the SEC, William Donaldson, to co-chair the SEC Advisory Committee on smaller public companies, which committee delivered its final report to the SEC in 2006.

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Mr. Wander is former chair of the Corporate Laws Committee of the American Bar Association's Business Law Section and of the Business Law Section. Mr. Wander is a frequent lecturer on topics of corporate governance.

Mr. Wander served two terms as a member of the Legal Advisory Committee to the NYSE Board of Governors and was a member of the Legal Advisory Committee to the National Association of Securities Dealers, Inc.

In addition, Mr. Wander has significant experience with the telecommunications industry and TDS as a director of TDS for over 40 years, as a member of the TDS Audit Committee for over 15 years and as a member of the TDS Compensation Committee for over 5 years.

Mr. Wander previously served as a director of Advance Ross Corporation (formerly NASDAQ: AROS), the primary business of which was operating a value-added tax (VAT) refund service in Europe.

Mr. Wander has a law degree from Yale Law School.

Mr. Wander brings to the TDS board of directors substantial experience, expertise and qualifications as a result of his many years as a director of TDS, and as a corporate and acquisitions lawyer and corporate governance expert with a national reputation. In addition, he has significant experience as a member of the TDS Audit Committee and the TDS Compensation Committee for many years.

Your board of directors unanimously recommends a vote "FOR" each of the above nominees for election by the holders of Series A Common Shares and Preferred Shares.

CORPORATE GOVERNANCE

Board of Directors

The business and affairs of TDS are managed by or under the direction of the board of directors. The board of directors consists of twelve members. Holders of Common Shares elect 25% of the directors rounded up plus one director, or a total of four directors based on a board size of twelve directors. Holders of Series A Common Shares and Preferred Shares elect the remaining eight directors. The TDS Voting Trust has approximately 94.% of the voting power in the election of the eight directors elected by the holders of Series A Common Shares and Preferred Shares, approximately 6.% of the voting power in the election of the four directors elected by the holders of Common Shares and approximately 56.% of the voting power in all other matters.

Board Leadership Structure

Under the leadership structure selected for TDS, the same person does not serve as both the Chief Executive Officer and Chairman of the Board. Walter C.D. Carlson, who is not an employee or officer of TDS, serves as the non-executive Chairman of the Board and presides over meetings of the full board of directors. LeRoy T. Carlson, Jr., who is an officer and employee of TDS, serves as President and Chief Executive Officer and is responsible for day-to-day leadership and performance of TDS. This leadership structure is set forth in TDS' Bylaws. TDS has determined that this leadership structure is appropriate given the specific characteristics and circumstances of TDS. In particular, TDS considers it appropriate that the person who is the President and Chief Executive Officer of TDS also not serve as the Chairman of the Board in order to separate the executive who is primarily responsible for the performance of the company from the person who presides over board meetings at which performance of TDS is evaluated.

Board Role in Risk Oversight

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

The TDS board of directors is primarily responsible for oversight of the risk assessment and risk management process of TDS. Although the TDS board of directors can delegate this responsibility to board committees, the TDS board has not done so, and continues to have full responsibility relating to

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risk oversight. Although the TDS 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 TDS and reported to the board.

TDS has established an Enterprise Risk Management (ERM) program, which applies to TDS and all of its business units. This program was designed with the assistance of an outside consultant and was integrated into TDS' existing management and strategic planning processes. The ERM program provides a common enterprise-wide language and discipline around risk identification, quantification and mitigation. The TDS board of directors receives periodic updates about the status and progress of this ERM program and takes action to the extent appropriate based on such updates.

Although the TDS board of directors has ultimate oversight authority over risk and has not delegated such responsibility to any committees, certain TDS 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 TDS' 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, in connection with the functions of the Compensation Committee relating to the compensation of the executive officers of TDS (other than executive officers of U.S. Cellular), the Compensation Committee considers risks relating to the compensation of executive officers of TDS, as discussed below in the Compensation Discussion and Analysis. In addition, the Compensation Committee has responsibilities under its charter and evaluates risk with respect to long-term compensation for all employees, which is discussed below under "Risks from Compensation Policies and Practices."

Also, the TDS Corporate Governance and Nominating Committee may consider certain risks in connection with its responsibilities relating to corporate governance and director nominations, as described below.

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

Director Independence and New York Stock Exchange Listing Standards

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

Under listing standards of the NYSE, TDS is a "controlled company" as such term is defined by the NYSE. TDS is a controlled company because over 50% of the voting power for the election of directors

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of TDS is held by the trustees of the TDS Voting Trust (i.e., the TDS Voting Trust has over 90% of the voting power in the election of directors elected by the holders of Series A Common Shares and Preferred Shares and thus has the voting power to elect eight of the twelve directors, or 66.7% of the directors). Accordingly, it 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, TDS is required to have at least three directors who qualify as independent to serve on the Audit Committee. The TDS Audit Committee has five members: George W. Off (chairperson), Clarence A. Davis, Donald C. Nebergall, Mitchell H. Saranow and Herbert S. Wander. Such directors must qualify as independent under the NYSE Listed Company Manual, including Section 303A.02(a) and Section 303A.02(b), and 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, TDS does not have any categorical standards of independence that must be satisfied.

Pursuant to the requirements of the NYSE Listed Company Manual, the TDS board of directors affirmatively determined that each member of the TDS Audit Committee has no material relationship with TDS or any other member of the TDS consolidated group ("TDS Consolidated Group"), either directly or as a partner, shareholder or officer of an organization that has a relationship with any member of the TDS Consolidated Group, 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 an employee or officer of TDS or any other member of the TDS Consolidated Group. None of such persons has any direct or indirect business relationships and/or fee arrangements with the TDS Consolidated Group and none of such persons receives any compensation from the TDS Consolidated Group except compensation for his services as a director and member of board committees of TDS. None of such persons has any relationship or arrangement with the TDS Consolidated Group other than in his capacity as a director of TDS. 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 (excluding permitted compensation for his services as a director and member of board committees of TDS); 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 TDS or any other 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. The only relationship and/or fee arrangement which such persons have with the TDS Consolidated Group are as directors and members of board committees of TDS. See also "Security Ownership of Certain Beneficial Owners and Management" below for information relating to beneficial share ownership and certain relationships of Donald C. Nebergall.

In addition, incumbent directors Christopher D. O'Leary and Gary L. Sugarman would qualify as independent directors under the listing standards of the NYSE. As a result, seven of the twelve incumbent directors, or over 58% of the directors, have been determined to qualify or would qualify as independent under the listing standards of the NYSE.

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Meetings of Board of Directors

The board of directors held eleven meetings during 2013. Each director attended at least 75% of the total number of meetings of the board of directors held during 2013 (at which time such person was a director) and at least 75% of the total number of meetings held during 2013 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, TDS is required to adopt and disclose corporate governance guidelines that address certain specified matters. TDS 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 and stock ownership, (v) board resources and access to management and independent advisors, (vi) annual performance evaluation of the board, (vii) board committees, (viii) management succession and (ix) periodic review of the guidelines. A copy of such guidelines is available on TDS' website, www.teldta.com, under Corporate Governance Corporate Governance Guidelines.

Corporate Governance and Nominating Committee

Because TDS is a controlled company, it is not required under NYSE listing standards to have a corporate governance/nominating committee or, if it has one, that the corporate governance/nominating committee be composed entirely of independent directors. Although not required to do so under NYSE listing standards, TDS voluntarily has established a Corporate Governance and Nominating Committee. The members of the Corporate Governance and Nominating Committee are Walter C.D. Carlson (chairperson), LeRoy T. Carlson, Jr. and Mitchell H. Saranow. Mr. Saranow qualifies as an independent director under NYSE listing standards. The primary function of the Corporate Governance and Nominating Committee is to advise the board on corporate governance matters, including developing and recommending to the board the corporate governance guidelines for TDS. In addition, the charter of the committee provides that the committee will develop selection objectives and oversee the search for qualified individuals to serve on the board of directors and recommend to the board prospective nominees and the re-nomination of incumbent directors as it deems appropriate. A copy of the committee charter is available on TDS' website, www.teldta.com, under Corporate Governance Board Committee Charters.

The Corporate Governance and Nominating Committee held four meetings during 2013.

Audit Committee

The purpose and primary functions of the Audit Committee are to (a) assist the board of directors of TDS in its oversight of (1) the integrity of TDS' financial statements, (2) TDS' compliance with legal and regulatory requirements, (3) the qualifications and independence of TDS' registered public accounting firm, and (4) the performance of TDS' 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 TDS' annual proxy statement and (c) perform such other functions as set forth in the Audit Committee charter, which shall be deemed to include the duties and responsibilities set forth in Section 10A-3. A copy of the Audit Committee charter is available on TDS' website, www.teldta.com, under Corporate Governance Board Committee Charters.

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 George W. Off (chairperson), Clarence A. Davis, Donald C. Nebergall, Mitchell H. Saranow and Herbert S. Wander. 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.

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The board has made a determination that each of Clarence A. Davis and Mitchell H. Saranow 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 liabilities 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 liabilities of any member of the audit committee, or the board, not so designated.

The Audit Committee held nine meetings during 2013.

Pre-Approval Procedures

The Audit Committee has adopted a policy pursuant to which all audit and non-audit services by TDS' principal independent registered public accounting firm must be pre-approved by the Audit Committee. The following describes the policy as amended. Under no circumstances may TDS' 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 TDS, subject to such pre-approval process and prohibitions. The Audit Committee has delegated to the chairperson together with one other member of the Audit Committee the authority to pre-approve services by the principal independent registered public accounting firm. In the event the chairperson is unavailable, pre-approval may be given by any two members of the Audit Committee. In addition to pre-approval of specific services, 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 TDS' 2014 Proxy Statement pursuant to Item 404 of Regulation S-K of the SEC. Pursuant to Item 404, TDS 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 TDS' last fiscal year or any currently proposed transaction in which: (1) TDS 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 TDS, any nominee for director, any beneficial owner of more than five percent of any class of TDS' 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 TDS 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, TDS has no related party policies or procedures relating to

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(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, and TDS does not maintain any written document evidencing such policies and procedures.

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

Compensation Committee

Although not required to do so under NYSE listing standards because it is a controlled company, TDS voluntarily has established a Compensation Committee comprised solely of directors who qualify as independent under the rules of the NYSE.

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 this provision of the Dodd-Frank Act expressly provides that it 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 new listing standards are not applicable to TDS because it is a controlled company, the members of the Compensation Committee would qualify as independent under the new listing standards of the NYSE. In particular, each member of the 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 TDS 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.

The primary functions of the Compensation Committee are to discharge the board of director's responsibilities relating to the compensation of the executive officers of TDS, other than executive officers of U.S. Cellular or any of its subsidiaries. The responsibilities of the Compensation Committee include the review of salary, bonus, long-term compensation and all other elements of compensation of such executive officers.

For these purposes, "executive officers" means all officers that are employees who are or will be identified in TDS' annual proxy statement as "executive officers," including the President and Chief Executive Officer of TDS Telecom, except that the compensation of the President and Chief Executive Officer of U.S. Cellular is established and administered by U.S. Cellular's chairman and long-term incentive compensation committee, as described in U.S. Cellular's 2014 proxy statement.

The Compensation Committee is comprised of at least two non-employee members of TDS' 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. As noted above, such members also qualify as independent under the rules of the NYSE. The members of the Compensation Committee are Herbert S. Wander (chairperson), George W. Off, Christopher D. O'Leary and Gary L. Sugarman. These persons do not have any compensation committee interlocks and are not related to any other directors.

The Compensation Committee charter permits it to delegate some or all of the administration of the long-term incentive plans or programs of TDS to the President and Chief Executive Officer or other executive officers of TDS as the committee deems appropriate, to the extent permitted by law and the applicable long-term incentive plan or program, but not regarding any award to the President and Chief Executive Officer. However, the Compensation Committee has not delegated any of its authority with respect to any of the officers identified in the below Summary Compensation Table.

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The Compensation Committee's charter provides that the Compensation Committee will obtain advice and assistance from the Chief Executive Officer and the Vice President Human Resources and from any other officer or employee of TDS, as it determines is appropriate. TDS' Human Resources Department also supports the Compensation Committee in its work. As discussed below, the Compensation Committee also utilizes the services of an independent compensation consultant. See the Compensation Discussion and Analysis below for information about compensation consultants, which information is incorporated by reference herein.

The Compensation Committee does not approve director compensation. It is the view of the TDS board of directors that this should be the responsibility of the full board of directors. Only non-employee directors receive compensation in their capacity as directors and, as a result, the view of the TDS board of directors is that all directors should participate in such compensation decisions, rather than only some or all of the non-employee directors.

A copy of the charter of the Compensation Committee is available on TDS' website, www.teldta.com, under Corporate Governance Board Committee Charters.

The Compensation Committee held six meetings during 2013.

Pricing Committee

TDS has a Pricing Committee, consisting of LeRoy T. Carlson, Jr., as Chairman, and Kenneth R. Meyers, as a regular member. Walter C.D. Carlson is an alternate member of this committee. The Pricing Committee does not have a charter. Pursuant to resolutions of the TDS board of directors from time to time, the Pricing Committee is authorized to take certain actions with respect to financing and capital transactions of TDS, such as the issuance, redemption or repurchase of debt or the repurchase of shares of capital stock of TDS.

Director Nomination Process

As discussed above, because TDS is a controlled company, it is not required under NYSE listing standards to have a corporate governance/nominating committee or, if it has one, that it be composed entirely of independent directors. Although not required to do so under NYSE listing standards, TDS voluntarily has established a Corporate Governance and Nominating Committee. The charter of the committee provides that the committee will develop selection objectives and oversee the search for qualified individuals to serve on the board of directors and recommend to the board of directors prospective nominees and the re-nomination of incumbent directors as it deems appropriate. The committee does not nominate directors. It only recommends to the board of directors prospective nominees and the re-nomination of incumbent directors as it deems appropriate. The entire board of directors determines whether to nominate prospective nominees and re-nominate incumbent directors.

TDS does not have a formal policy with regard to the consideration of any director candidates recommended by shareholders. However, because the TDS Voting Trust has over 90% of the voting power in the election of directors elected by the holders of Series A Common Shares and Preferred Shares, nominations of directors for election by the holders of Series A Common Shares and Preferred Shares are based on the recommendation of the trustees of the TDS Voting Trust. With respect to candidates for director to be elected by the holders of Common Shares, the Corporate Governance and Nominating Committee and/or the TDS board may from time to time informally consider candidates submitted by shareholders that hold a significant number of Common Shares. Although TDS has no formal procedures to be followed by shareholders in submitting recommendations of candidates for director, shareholders that desire to nominate directors must follow the procedures set forth in TDS' Bylaws.

Except to the extent provided in the next paragraph, TDS does not have any specific, minimum qualifications that the board believes must be met by a nominee for a position on the TDS board of directors, or any specific qualities or skills that the board believes are necessary for one or more of the TDS directors to possess. The TDS 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

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appropriate to place limitations on its own discretion, except to the extent provided in the next paragraph. The TDS board has consistently sought to nominate to the board of directors eminently qualified individuals whom the board believes would provide substantial benefit and guidance to TDS.

Considering the importance of Federal Communications Commission ("FCC") licenses to TDS, the TDS Bylaws include a qualification requirement providing 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 TDS Corporate Governance and Nominating Committee or 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 TDS Bylaws), as determined by the TDS Corporate Governance and Nominating Committee or 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 TDS Corporate Governance and Nominating Committee or 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 TDS Bylaws provides that a person properly nominated by a shareholder for election as a TDS director shall not be eligible for election as a director unless he or she signs and returns to the Secretary of TDS, 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 TDS 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 TDS Corporate Governance and Nominating Committee 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, TDS 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 considering whether to recommend that individuals be nominated as director candidates, the Corporate Governance and Nominating Committee 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. TDS 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 Corporate Governance and Nominating Committee considers how director candidates can contribute to board diversity as one of the many factors it considers in identifying nominees for director.

Whether or not the Corporate Governance and Nominating Committee will recommend that the TDS board re-nominate, and the TDS board will re-nominate, existing directors for re-election depend on all facts and circumstances, including views on how the director has performed and is performing his or her duties. In the event of a vacancy on the board of a director elected by the holders of Series A Common Shares and Preferred Shares, nominations are based on the recommendation of the trustees of the TDS Voting Trust. In the event of a vacancy on the board of a director elected by the holders of Common Shares, TDS may use various sources to identify potential candidates, including an executive search firm. In addition, the Corporate Governance and Nominating Committee may consider recommendations by shareholders that hold a significant number of Common Shares. Potential candidates are initially screened by the Corporate Governance and Nominating Committee and by other persons as the Corporate Governance and Nominating Committee designates. Following this process, the Corporate Governance and Nominating Committee will consider whether one or more candidates should be considered by the full board of directors. When appropriate, information about the candidate is presented to and discussed by the full board of directors.

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All of the nominees approved by the TDS board for inclusion on TDS' proxy card for election at the 2014 Annual Meeting are directors who are standing for re-election and were recommended for re-nomination by the Corporate Governance and Nominating Committee.

From time to time, TDS may pay a fee to an executive search firm to identify potential candidates for election as directors. TDS did not pay a fee in 2013 or 2014 to any third party or parties to identify or evaluate or assist in identifying or evaluating potential new nominees for election as directors at the 2014 Annual Meeting.

Non-Management Directors and Shareholder Communication with Directors

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

Shareholders or other interested parties may send communications to the TDS board of directors, to the Chairman of the Board, to the non-management directors or to specified individual directors of TDS at any time. Shareholders or other interested parties should direct their communication to such persons or group in care of the Secretary of TDS at its corporate headquarters, 30 N. LaSalle St., Suite 4000, Chicago IL 60602. Any shareholder communications that are addressed to the board of directors, the Chairman of the Board, the non-management directors or specified individual directors will be delivered by the Secretary of TDS to such persons or group.

For more information, see the instructions on TDS' website, www.teldta.com, under Corporate Governance Board of Directors Contacting the TDS Board of Directors.

TDS 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 a meeting of the board of directors. In general, all directors attend each Annual Meeting of shareholders unless they are unable to do so due to unavoidable commitments or intervening events. All except one of the persons serving as directors at the time attended the 2013 annual meeting.

Stock Ownership Guidelines

The TDS Corporate Governance Guidelines provide that, within three years after (a) March 31, 2007 or (b) the date on which a director first became a director, whichever is later, and thereafter for so long as each director remains a director of TDS, each director shall own Series A Common Shares or Common Shares having a combined value of at least \$165,000. The board of directors reviews this minimum ownership requirement periodically. The stock ownership guidelines are included in TDS' Corporate Governance Guidelines, which have been posted to TDS' website, www.teldta.com, under Corporate Governance Corporate Governance Guidelines.

Code of Business Conduct and Ethics Applicable to Directors

As required by Section 303A.10 of the NYSE Listed Company Manual, TDS has adopted a Code of Business Conduct and Ethics for Officers and Directors, as amended effective December 13, 2012. This code has been posted to TDS' website, www.teldta.com, under Corporate Governance Code of Business Conduct and Ethics for Officers and Directors.

Table of Contents**EXECUTIVE OFFICERS**

The following executive officers of TDS were identified in the above tables regarding the election of directors: LeRoy T. Carlson, Jr., President and Chief Executive Officer of TDS; and Kenneth R. Meyers, President and Chief Executive Officer of U.S. Cellular. In addition to the executive officers identified in the tables regarding the election of directors, set forth below is a table identifying current officers of TDS and its subsidiaries who are executive officers of TDS under SEC rules. Unless otherwise indicated, the position held is an office of TDS. The age of the following persons is as of the date of this 2014 Proxy Statement.

<i>Name</i>	<i>Age</i>	<i>Position</i>
LeRoy T. Carlson	97	Chairman Emeritus
David A. Wittwer	53	President and Chief Executive Officer of TDS Telecommunications Corporation
Joseph R. Hanley	47	Senior Vice President Technology, Services and Strategy
Peter L. Sereda	55	Senior Vice President Finance and Treasurer
Douglas D. Shuma	53	Senior Vice President and Controller
Kurt B. Thaus	55	Senior Vice President and Chief Information Officer
Scott H. Williamson	63	Senior Vice President Acquisitions and Corporate Development
C. Theodore Herbert	78	Vice President Human Resources

LeRoy T. Carlson. LeRoy T. Carlson has been Chairman Emeritus of TDS (an executive officer of TDS) for more than five years. He is director emeritus of TDS and U.S. Cellular. Mr. Carlson is the father of LeRoy T. Carlson, Jr., Walter C.D. Carlson, Letitia G. Carlson, M.D. and Prudence E. Carlson.

David A. Wittwer. David A. Wittwer has been the President and Chief Executive Officer of TDS Telecom for more than five years.

Joseph R. Hanley. Joseph R. Hanley was appointed Senior Vice President Technology, Services and Strategy of TDS in 2012. Prior to that, he was Vice President Technology Planning and Services of TDS for more than five years.

Peter L. Sereda. Peter L. Sereda was appointed Senior Vice President Finance and Treasurer of TDS in 2011. Prior to that, Mr. Sereda was Vice President and Treasurer of TDS for more than five years.

Douglas D. Shuma. Douglas D. Shuma has been the Senior Vice President and Controller (chief accounting officer) of TDS for more than five years. Mr. Shuma also became the chief financial officer of TDS on July 19, 2013, when the TDS Bylaws were amended to provide that the Controller will be the chief financial officer of TDS. Mr. Shuma was appointed Chief Accounting Officer of U.S. Cellular and TDS Telecom in 2011. Mr. Shuma is a Certified Public Accountant (inactive).

Kurt B. Thaus. Kurt B. Thaus has been the Senior Vice President and Chief Information Officer of TDS for more than five years.

Scott H. Williamson. Scott H. Williamson has been the Senior Vice President Acquisitions and Corporate Development of TDS for more than five years.

C. Theodore Herbert. C. Theodore Herbert has been the Vice President Human Resources of TDS for more than five years.

All of our executive officers devote all of their employment time to the affairs of TDS and/or its subsidiaries.

Former Executive Officer

Mary N. Dillon. Mary N. Dillon resigned as director and the President and Chief Executive Officer of U.S. Cellular effective June 21, 2013, positions she had held since June 1, 2010.

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Codes of Business Conduct and Ethics Applicable to Officers

As required by Section 303A.10 of the NYSE Listed Company Manual, TDS 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 TDS' Internet website, *www.teldta.com*, under Corporate Governance Code of Business Conduct and Ethics for Officers and Directors.

In addition, TDS has adopted a broad Code of Business Conduct that is applicable to all officers and employees of TDS and its subsidiaries. The foregoing code has been posted to TDS' Internet website, *www.teldta.com*, under Corporate Governance TDS Code of Business Conduct.

TDS 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 TDS' Internet website. Any waivers of any of the foregoing codes for directors or executive officers will be approved by TDS' 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 during 2013.

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**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, 2014. This proposal gives our shareholders the opportunity to express their views on TDS' independent registered public accounting firm for the current fiscal year.

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

The board of directors unanimously recommends a vote **FOR** approval of the ratification of the selection of PricewaterhouseCoopers LLP as TDS' independent registered public accounting firm for the fiscal year ending December 31, 2014.

We anticipate continuing the services of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the current year. Representatives of PricewaterhouseCoopers LLP, who served as our independent registered public accounting firm for the last fiscal year, are expected to be present at the 2014 Annual Meeting and will have the opportunity to make a statement and to respond to appropriate questions raised by shareholders at the 2014 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 TDS, our board of directors or the 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 which could be cast by shares entitled to vote with respect to such matter at the 2014 Annual Meeting. 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, 2014.

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

Table of Contents**FEES PAID TO PRINCIPAL ACCOUNTANTS**

The following sets forth the aggregate fees (including expenses) billed by TDS' principal accountants PricewaterhouseCoopers LLP for 2013 and 2012:

	2013	2012
Audit Fees(1)	\$ 5,963,042	\$ 4,613,425
Audit Related Fees(2)	336,316	629,403
Tax Fees(3)	16,650	
All Other Fees(4)	1,281,513	1,462,745
Total Fees	\$ 7,597,521	\$ 6,705,573

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- (1) Represents the aggregate fees billed by PricewaterhouseCoopers LLP for professional services rendered for the audit of the annual financial statements for the years 2013 and 2012 included in TDS' and U.S. Cellular's Forms 10-K for those years and the reviews of the financial statements included in TDS' and 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, 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 TDS' and U.S. Cellular's financial statements that are not reported under Audit Fees. In 2013 and 2012, this amount represents fees billed for audits of subsidiaries and also for due diligence work in 2012.
- (3) Represents the aggregate fees billed by PricewaterhouseCoopers LLP for 2013 and 2012 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 Notes (1), (2) and (3). In 2013 and 2012, the substantial majority of this amount represents Systems Implementation Assessment advisory work relating to U.S. Cellular's billing and operational support system (B/OSS) project. In both 2013 and 2012, this amount includes the fee for access to a virtual accounting research service.

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 TDS' independent registered public accounting firm.

AUDIT COMMITTEE REPORT

This report is submitted by the current members of the Audit Committee of the board of directors of TDS. The Audit Committee operates under a written charter adopted by the TDS board of directors, a copy of which is available on TDS' website, www.teldta.com, under Corporate Governance Board Committee Charters.

Management is responsible for TDS' internal controls and the financial reporting process. TDS has an internal audit staff, which performs testing of internal controls and the financial reporting process. TDS' independent registered public accounting firm is responsible for performing an independent audit of TDS' consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight

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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 internal audit staff and representatives of PricewaterhouseCoopers LLP, TDS' independent registered public accounting firm for 2013. In these meetings, the Audit Committee reviewed and discussed the audited financial statements as of and for the year ended December 31, 2013. Management represented to the Audit Committee that TDS' consolidated financial statements were prepared in accordance with accounting principles generally

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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; Related Amendments to PCAOB Standards; and Transitional Amendments to PCAOB AU Section 380, 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 Public Company Accounting Oversight Board 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, 2013 be included in TDS' Annual Report on Form 10-K for the year ended December 31, 2013.

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 TDS' 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 Chairman and the TDS Vice President of Internal Audit.

During 2013, at each of its regularly scheduled meetings, the Audit Committee met with the senior members of TDS' financial management team. Additionally, the Audit Committee had separate private sessions, during its regularly scheduled meetings, with TDS management, TDS' Vice President of Internal Audit, TDS' 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 TDS' system of internal control over financial reporting, the framework used to make the assessment and management's conclusions on the effectiveness of TDS' internal control over financial reporting. The Audit Committee also discussed with PricewaterhouseCoopers LLP TDS' internal control assessment process, management's assessment with respect thereto and its evaluation of TDS' system of internal control over financial reporting.

The Audit Committee reviewed with senior members of management, including the Vice President of Internal Audit and General Counsel, TDS' policies and procedures with respect to risk assessment and risk management. The overall adequacy and effectiveness of TDS' legal, regulatory and ethical compliance programs, including TDS' 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. In doing so, 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 TDS' operations and industry. Based on this evaluation, the Audit Committee decided to engage PricewaterhouseCoopers LLP as TDS' independent registered public accountants for the year ending December 31, 2014, and reviewed with senior members of TDS' financial management team, PricewaterhouseCoopers LLP and the 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 TDS' internal controls over financial reporting and the quality of TDS' financial reporting. Although the Audit Committee has the sole authority to appoint the independent registered public accounting firm, TDS 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 2014 Proxy Statement includes a proposal for consideration at the 2014 Annual Meeting requesting that shareholders ratify the selection of

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PricewaterhouseCoopers LLP as TDS' independent registered public accountants for the year ending December 31, 2014.

In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed with management and PricewaterhouseCoopers LLP the audited financial statements of TDS, 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 TDS' internal controls over financial reporting.

The Audit Committee considered and concluded that the provision of non-audit services by PricewaterhouseCoopers LLP to TDS during 2013 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 TDS 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, who are engaged to audit and report on the consolidated financial statements of TDS and its subsidiaries and the effectiveness of TDS' internal control over financial reporting.

By the members of the Audit Committee of the board of directors of TDS:

George W. Off
Chairperson

Clarence A. Davis

Donald C. Nebergall

Mitchell H. Saranow

Herbert S. Wander

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PROPOSAL 3
AMENDMENT OF TELEPHONE AND DATA SYSTEMS, INC.
2011 LONG-TERM INCENTIVE PLAN AND APPROVAL OF PERFORMANCE GOALS

The TDS 2011 Long-Term Incentive Plan (the "2011 Incentive Plan") was approved by TDS shareholders at a special meeting on January 13, 2012 and became effective on January 24, 2012. A total of 6 million Common Shares were authorized for issuance under the 2011 Incentive Plan.

On March 7, 2014, the TDS board of directors (the "TDS Board") approved an amendment (the "Amendment") to the 2011 Incentive Plan (as so amended, the "Amended 2011 Incentive Plan"), subject to shareholder approval. The Amendment would increase the number of Common Shares reserved for issuance under the 2011 Incentive Plan by 5 million Common Shares to 11 million Common Shares. The Amendment would not modify the 2011 Incentive Plan except to increase the Common Shares reserved for issuance.

TDS adopted the 2011 Incentive Plan to replace the TDS 2004 Long-Term Incentive Plan (the "2004 Incentive Plan") for awards granted on or after January 24, 2012 (except as they relate to deferred bonus for calendar years commencing prior to January 1, 2013 for which elections were made prior to such date). No additional awards will be granted under the TDS 2004 Long-Term Incentive Plan. Only restricted stock units, options and phantom stock units related to deferred compensation accounts are outstanding under the TDS 2004 Long-Term Incentive Plan. As of December 31, 2013, awards with respect to approximately 6.3 million Common Shares were outstanding under the 2004 Incentive Plan.

The following shows certain information about the 2011 Incentive Plan between its January 24, 2012 effective date and December 31, 2013:

	<i>In Millions</i>
Shares authorized January 24, 2012	6.0
Shares underlying awards granted and outstanding as of December 31, 2012	(2.0)
Shares available to be awarded as of December 31, 2012	4.0
Shares issued in 2013 under awards	(0.1)
Net change in shares underlying awards outstanding as of December 31, 2012*	(1.4)
Shares available to be awarded as of December 31, 2013	2.5

*

Represents net change in shares underlying awards due to awards granted and forfeited during 2013.

TDS granted awards with a range, in the aggregate, of approximately 1.6 million to 2.0 million underlying Common Shares in each of 2013 and 2012. Only restricted stock units, non-qualified stock options and phantom stock units related to deferred compensation accounts have been granted under the 2011 Incentive Plan. Based on current facts and circumstances, including the recent trading price of the Common Shares, TDS currently expects that it will require approximately 1.8 million to about 2.2 million Common Shares for awards to be made in each of 2014, 2015 and 2016. TDS is requesting shareholders to authorize 5 million additional Common Shares for awards under the 2011 Incentive Plan, so that sufficient shares will be available for anticipated awards. Given the limited number of Common Shares that currently remain available under the 2011 Incentive Plan, the TDS Board, Compensation Committee and management believe it is important that the Amendment be approved in order to maintain TDS' ability to attract and retain key personnel and continue to provide them with strong incentives to contribute to TDS' future success.

Approval of Proposal 3 will also constitute approval, for purposes of Section 162(m) of the Internal Revenue Code, of the material terms of the performance goals contained in the 2011 Incentive Plan (described below) that are to be used in connection with awards under the 2011 Incentive Plan that are intended to qualify as "performance-based" compensation for purposes of Section 162(m). One of the conditions for compensation to be considered "performance-based" under Section 162(m) requires that

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the material terms under which such compensation will be paid (the class of eligible employees, performance criteria and the per-person maximums) be disclosed to and approved by shareholders every five years.

If TDS shareholders approve such 5 million Common Shares to be added to the previously authorized 6 million Common Shares, a total of 11 million Common Shares will be authorized under the Amended 2011 Incentive Plan. On a pro forma basis if TDS issued all 11 million Common Shares that would be reserved under the Amended 2011 Incentive Plan, as well as all of the approximately 6.3 million Common Shares underlying outstanding awards under the 2004 Incentive Plan, TDS would issue a total of approximately 17.3 million Common Shares, of which 5 million would represent the additional authorization being requested herein.

As of December 31, 2013, approximately 108.7 million shares of TDS common stock, including TDS Series A Common Shares, were outstanding. If all such 17.3 million Common Shares under the Amended 2011 Incentive Plan and 2004 Incentive Plan were issued, the pro forma number of shares of TDS common stock that would be outstanding without regard to other factors, including share repurchases, would be approximately 126 million.

On [], 2014, the closing sales price per Common Share as reported on the NYSE was \$ [].

The Amendment is attached hereto as *Exhibit A*. The 2011 Incentive Plan was previously filed with the SEC as Exhibit 10.1 to TDS' Current Report on Form 8-K dated January 13, 2012, and a copy thereof is attached hereto as *Exhibit B*.

The following is a description of the Amended 2011 Incentive Plan (which is identical to the 2011 Incentive Plan, except with respect to the shares reserved for issuance).

Description of Amended 2011 Incentive Plan

Types of Awards. Under the Amended 2011 Incentive Plan, TDS is authorized to grant incentive stock options ("ISOs"), nonqualified stock options, stock appreciation rights ("SARs"), bonus stock awards, restricted stock awards, restricted stock unit ("RSU") awards, performance share awards and employer match awards for deferred bonus payments, as described below.

Incentive Plan Stock. Prior to the Amendment, a total of 6 million Common Shares were reserved for issuance under the 2011 Incentive Plan. After the Amendment, a total of 11 million Common Shares would be reserved for issuance under the Amended 2011 Incentive Plan, of which (i) no more than 6 million Common Shares in the aggregate can be issued under the Amended 2011 Incentive Plan in connection with ISOs and (ii) no more than 300,000 Common Shares in the aggregate can be issued under the Amended 2011 Incentive Plan in connection with bonus stock awards. Such numbers are subject to adjustment in the event of a stock split, stock dividend, merger or other event described in "Adjustment" below. To the extent that Common Shares subject to an outstanding award under the Amended 2011 Incentive Plan are not issued or delivered by reason of (i) the expiration, termination, cancellation or forfeiture of such award or (ii) the settlement of the award in cash, then those Common Shares again will be available under the Amended 2011 Incentive Plan, except that Common Shares subject to an award under the Amended 2011 Incentive Plan will not again be available under the Amended 2011 Incentive Plan if such shares are (y) shares delivered to or withheld by TDS to pay the exercise price or the withholding taxes related to an outstanding award or (z) shares that were subject to a stock-settled SAR and were not issued or delivered upon the net settlement of such SAR.

Effective Date and Termination The 2011 Incentive Plan became effective on January 24, 2012, and will terminate on January 13, 2022, ten years after the date of shareholder approval of the 2011 Incentive Plan, unless terminated earlier by the TDS Board. The increase in the Common Shares reserved for issuance under the 2011 Incentive Plan from 6 million to 11 million would be effective upon approval of the Amendment by shareholders at the 2014 Annual Meeting.

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Purposes. The purposes of the Amended 2011 Incentive Plan are to:

align the interests of the shareholders of TDS and the recipients of awards under the Amended 2011 Incentive Plan by increasing the proprietary interest of such recipients in TDS' growth and success;

advance the interests of TDS by attracting and retaining officers and other employees of TDS and certain of its affiliates; and

motivate such persons to act in the long-term best interests of TDS and TDS' shareholders.

Eligibility. Certain employees of TDS, and of affiliates of TDS approved by the TDS Board, who are selected by the Committee (as defined below under "Administration"), are eligible to participate in the Amended 2011 Incentive Plan. As of December 31, 2013, approximately 3,800 employees were eligible to be selected by the Committee to receive awards under the 2011 Incentive Plan. However, as of December 31, 2013, the Committee had selected only approximately 200 of such employees to receive awards.

Maximum Per Person Award. In the case of an award intended to be "qualified performance-based compensation" under Section 162(m) of the Internal Revenue Code, to the extent necessary to so qualify, (i) the maximum number of Common Shares with respect to which stock options or SARs or a combination thereof may be granted during any fiscal year of TDS to any person is 800,000, (ii) the maximum number of Common Shares with respect to which bonus stock awards, restricted stock awards and RSU awards (collectively, "Stock Awards") subject to performance measures may be granted during any fiscal year of TDS to any person is 400,000, and (iii) the maximum number of Common Shares with respect to which performance share awards may be granted during any fiscal year of TDS to any person is 400,000, in each case subject to adjustment in the event of a stock split, stock dividend, merger or other event described in "Adjustment" below.

As noted below under "Stock Options" and "Stock Appreciation Rights," the purchase price per share subject to a stock option and the base price per share subject to an SAR may not be less than 100% of the fair market value of a Common Share on the date of grant of the award.

Amendments. The TDS Board may amend the Amended 2011 Incentive Plan at any time, subject to any required shareholder approval and any rule of the principal national stock exchange on which the Common Shares are then traded. Without the approval of the shareholders of TDS, no amendment may:

increase the maximum number of Common Shares available for issuance under the Amended 2011 Incentive Plan (except in the event of a stock split, stock dividend, merger or other event described in "Adjustment" below); or

with respect to any ISO, effect any change inconsistent with Section 422 of the Internal Revenue Code.

Administration. The Amended 2011 Incentive Plan is administered by a committee (for purposes of this description, the "Committee") selected by the TDS Board and made up of two or more members of the TDS Board, each of whom may be an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code and a "Non-Employee Director" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934.

Subject to the terms of the Amended 2011 Incentive Plan, the Committee is authorized to select employees for participation in the Amended 2011 Incentive Plan and to determine the form, amount and timing of each award and, if applicable, the number of Common Shares subject to each award, the purchase price or base price associated with the award, the exercise price of any option award, the time and conditions of exercise or settlement of the award, and all other terms and conditions of the award, including without limitation, the form of the agreement evidencing the award. The Committee also has the authority to interpret the Amended 2011 Incentive Plan and establish any rules and procedures necessary or desirable for the administration of the Amended 2011 Incentive Plan. In addition, the Committee may impose, incidental to the grant of an award, conditions with respect to the award, such

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as limiting competitive employment or other activities, and may accelerate the exercisability or vesting of outstanding awards. The determinations of the Committee are binding on all parties.

Except in the event of a stock split, stock dividend, merger or other event described in "Adjustment" below, or in the event of a "Change in Control" as defined below, the Committee may not, without shareholder approval, (i) reduce the purchase price or base price of an outstanding stock option or SAR; (ii) cancel an outstanding stock option or SAR in exchange for another stock option or SAR with a lower purchase price or base price; (iii) cancel an outstanding stock option or SAR in exchange for cash or another award if the purchase price of the stock option or the base price of the SAR exceeds the fair market value of a Common Share on the date of such cancellation or (iv) take any other action that would constitute a "repricing" within the meaning of The New York Stock Exchange Listed Company Manual.

Delegation. To the extent legally permissible, the Committee may delegate some or all of its power and authority under the Amended 2011 Incentive Plan to the TDS Board or to the President and Chief Executive Officer or other executive officer of TDS as it deems appropriate; provided, however, that:

the Committee may not delegate its power and authority to the TDS Board or the President and Chief Executive Officer or other executive officer of TDS regarding the grant of an award under the Amended 2011 Incentive Plan to any person deemed to be a "covered employee" within the meaning of Section 162(m) of the Internal Revenue Code or who, in the Committee's judgment, is likely to be a covered employee at any time during the period an award to such employee may result in taxable income to the employee, or

the Committee may not delegate its power and authority to the President and Chief Executive Officer or other executive officer of TDS regarding the selection for participation in the Amended 2011 Incentive Plan of an officer of TDS or other person subject to Section 16 of the Securities Exchange Act of 1934, as amended, or decisions concerning the timing, pricing or number of shares subject to an award granted to such an officer or other person.

Performance Measures. The Committee may establish performance measures that must be attained:

as a condition to the grant or exercisability of certain stock options or SARs;

as a condition to the grant of certain restricted stock, bonus stock or RSU awards; or

during the applicable restriction period or performance period as a condition to the employee's vesting, in the case of certain restricted stock awards, in Common Shares subject to such awards or, as a condition to the employee's receipt, in the case of certain RSU awards or performance share awards, of Common Shares subject to such awards or the cash amount payable with respect to such awards (or a combination thereof).

In the case of an award intended to be "qualified performance-based compensation" within the meaning of Section 162(m) of the Internal Revenue Code, to the extent necessary to so qualify, the performance measures shall be one or more of the following corporate-wide or subsidiary, division, operating unit or individual measures, stated in either absolute or relative terms:

the attainment by a Common Share of a specified fair market value for a specified period of time; return to stockholders (including dividends); earnings before or after taxes and/or interest; interest expense; economic value created; operating or gross margin; return on assets, equity, investments, operating costs or capital; net income before or after taxes; operating earnings either before or after interest expense and either before or after incentives; pretax earnings before interest, depreciation and/or amortization; ratios of capital spending and investment to volume of business measures; cost per gross or net customer addition; revenue per customer; customer turnover rate; ratios of employees to volume of business measures and population in licensed or operating markets; sales; costs; financing costs; expenses; revenues; earnings per share; customer count; market share; cash flows; attainment of cost reduction goals; and/or strategic business criteria, consisting of one or more objectives based on meeting specified market penetration, geographic business expansion goals, cost targets, customer satisfaction, reductions in errors and omissions, reductions in lost business, management of employment practices and employee benefits, supervision of litigation and information technology, quality and quality audit scores, and goals relating to acquisitions or divestitures.

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Subject to Section 162(m) of the Internal Revenue Code with respect to an award that is intended to be qualified performance-based compensation, the Committee may amend or adjust the performance measures in recognition of unusual or nonrecurring events affecting TDS or its financial statements or changes in law or accounting principles.

Stock Options. The Amended 2011 Incentive Plan provides for the grant of ISOs and nonqualified stock options and specifies that the Committee will determine the number of Common Shares subject to a stock option and the purchase price per Common Share subject to a stock option, provided that such purchase price per share may not be less than 100% of the fair market value of a Common Share on the date of grant of the stock option. The exercise of a stock option entitles the holder thereof to receive (subject to withholding tax, if applicable) whole Common Shares. To the extent that the aggregate fair market value (determined as of the date the stock option is granted) of the Common Shares with respect to which stock options designated as ISOs are exercisable for the first time by the option holder during any calendar year (under the Amended 2011 Incentive Plan or any other plan of TDS or any related corporation, including its subsidiaries) exceeds the amount (currently \$100,000) established by the Internal Revenue Code, such stock options shall be nonqualified stock options. The Committee will determine the period during which a stock option may be exercised, provided that a stock option granted under the Amended 2011 Incentive Plan may not be exercised later than ten years from the date of grant. In the case of an eligible employee who owns or is deemed to own stock possessing more than 10% of the total combined voting power of all classes of stock of TDS or any related corporation, including its subsidiaries, the purchase price per share of an ISO granted under the Amended 2011 Incentive Plan to such employee may not be less than 110% of the fair market value of a Common Share on the date of grant, and the exercise period may not exceed five years from the date of grant.

Stock Appreciation Rights. The Amended 2011 Incentive Plan provides for the grant of SARs. The number of Common Shares subject to an SAR and the base price of an SAR will be determined by the Committee, provided that the base price per Common Share subject to an SAR may not be less than 100% of the fair market value of a Common Share on the date of grant. The Committee will determine the period during which an SAR may be exercised, provided that an SAR may not be exercised later than ten years from the date of grant. The exercise of an SAR entitles the holder thereof to receive (subject to withholding taxes, if applicable) whole Common Shares, cash or a combination thereof (as determined by the Committee and set forth in the agreement evidencing the SAR) with a value equal to the difference between the fair market value of a Common Share on the exercise date and the base price of the SAR, multiplied by the number of Common Shares with respect to which such SAR is exercised.

Bonus Stock, Restricted Stock and RSU Awards. The Amended 2011 Incentive Plan provides for the grant of bonus stock awards, which are vested upon grant. As noted above, no more than 300,000 Common Shares in the aggregate may be issued under the Amended 2011 Incentive Plan in connection with bonus stock awards. The Amended 2011 Incentive Plan also provides for the grant of restricted stock awards and RSU awards, which are subject to a restriction period. An RSU is a right to receive, contingent upon termination of the restriction period, a Common Share or cash equal to the fair market value of a Common Share, as specified by the agreement evidencing the award. The number of Common Shares subject to an award of bonus stock or restricted stock and the number of RSUs subject to an RSU award, the purchase price (if any) applicable to the award, any restriction period and performance measures applicable to the award and the other terms of the award will be determined by the Committee. Unless otherwise determined by the Committee, shares of restricted stock and RSUs will be subject to forfeiture if the holder does not remain continuously employed by TDS or an affiliate during the restriction period or, if the restricted stock or RSU is subject to performance measures, if such performance measures are not attained during the restriction period.

Unless otherwise set forth in an award agreement and subject to the terms and conditions of a restricted stock award, the holder of a restricted stock award shall have all the rights as a shareholder of TDS, including but not limited to, voting rights, the right to receive dividends or other distributions and the right to participate in any capital adjustment applicable to all holders of Common Shares. However, (i) a distribution with respect to Common Shares, other than a regular cash dividend, and (ii) a regular

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cash dividend with respect to Common Shares that are subject to performance-based vesting conditions, in each case, will be deposited with TDS and will be subject to the same restrictions as the Common Shares with respect to which such distribution was made.

Prior to the settlement of an RSU award in Common Shares, the holder of such RSU award will have no rights as a shareholder of TDS with respect to the Common Shares subject to the award. However, the agreement for the award may allow the holder of the RSU award to receive, on a current or deferred basis, dividend equivalents on the RSU award and may also provide interest on, or the deemed reinvestment of, any deferred dividend equivalents. Any dividend equivalents with respect to RSU awards that are subject to performance-based vesting conditions will be subject to the same restrictions as the RSU awards.

Performance Share Awards. The Amended 2011 Incentive Plan provides for the grant of performance share awards. Each performance share is a right, contingent upon the attainment of specified performance measures within a specified performance period, to receive a Common Share, which may be restricted stock, or the fair market value of such share in cash, as specified by the agreement evidencing the award. The number of performance shares subject to a performance share award, the applicable performance measures and performance period, and the other terms of a performance share award will be determined by the Committee. Unless otherwise determined by the Committee, if the specified performance measures are not attained during the applicable performance period, then the award recipient will forfeit the performance share award.

Prior to the settlement of a performance share award in Common Shares, the holder of such performance share award will have no rights as a shareholder of TDS with respect to the Common Shares subject to the award. However, the agreement for the award may allow the holder of the performance share award to receive, on a current or deferred basis, dividend equivalents on the performance share award and may also provide interest on, or the deemed reinvestment of, any deferred dividend equivalents. Any dividend equivalents with respect to performance share awards will be subject to the same restrictions as the performance share awards.

Deferred Bonus and Employer Match Awards. The Amended 2011 Incentive Plan permits an employee selected by the Committee to irrevocably elect to defer all or a portion of his or her annual bonus to a deferred compensation account. If a selected employee elects to defer all or a portion of his or her annual bonus, an employer match award may be allocated to the employee's deferred compensation account in an amount equal to a percentage specified by the Committee of the employee's deferred annual bonus amount, provided that such percentage may not exceed 33 $\frac{1}{3}$ %. An employee will be fully vested in the deferred bonus amounts credited to his or her deferred compensation account. One-third of the employer match award credited to the employee's deferred compensation account will become vested on each of the first three annual anniversaries of the last day of the year for which the applicable bonus is payable, provided that the employee remains continuously employed by TDS or an affiliate until such date and the related bonus amount credited to his or her deferred compensation account has not been distributed before such date. Any employer match award that is not vested as of the date that the related bonus amount is distributed will be forfeited as of the date of the distribution. An employer match award previously not forfeited will become fully vested in the event the employee separates from service by reason of death, retirement (as defined in the Amended 2011 Incentive Plan) or disability (as defined in the Amended 2011 Incentive Plan). An employee's deferred compensation account will be deemed to be invested in whole and fractional Common Shares.

An employee will receive an amount equal to his or her vested deferred compensation account during the seventh calendar month following the calendar month of his or her separation from service with TDS and its affiliates, except that an employee may irrevocably elect to receive all or a portion of his or her vested deferred compensation account at an earlier date if:

such election is made at the time the employee elects to defer the bonus amount; and

such earlier date is at least three calendar years after the calendar year during which the employee's deferral election is made.

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In the event of the employee's death, his or her vested deferred compensation account will be paid to the employee's beneficiary within 60 days following the employee's death.

The Committee may approve a distribution of all or a portion of an employee's vested deferred compensation account in the event of an unforeseeable emergency causing the employee severe financial hardship. If an employee receives a distribution from his or her deferred compensation account (whether under the Amended 2011 Incentive Plan, the 2004 Incentive Plan or another plan maintained by TDS or its affiliates) due to unforeseeable emergency, any deferral election by the employee in effect under the Amended 2011 Incentive Plan immediately will be cancelled.

An employee's vested deferred compensation account will be paid in a lump sum. Payment will be in whole Common Shares and in cash equal to the fair market value of any fractional Common Share.

Adjustment

In the event of any conversion, stock split, stock dividend, recapitalization, reclassification, reorganization, merger, consolidation, spin-off, combination, exchange of shares, liquidation or other similar change in capitalization or event, or any distribution to holders of Common Shares other than a regular cash dividend, the number and class of securities available under the Amended 2011 Incentive Plan, the maximum number of securities with respect to which stock options or SARs, or a combination thereof, may be granted during any fiscal year of TDS to any person, the maximum number of securities with respect to which Stock Awards subject to performance measures may be granted during any fiscal year of TDS to any person, the maximum number of securities with respect to which performance share awards may be granted during any fiscal year of TDS to any person, the maximum aggregate number of securities that may be issued under the Amended 2011 Incentive Plan in connection with ISOs, the maximum aggregate number of securities that may be issued under the Amended 2011 Incentive Plan in connection with bonus stock awards, the terms of each outstanding stock option or SAR, including the number and class of securities subject to each outstanding stock option or SAR and the purchase price or base price per security, the terms of each outstanding Stock Award or performance share award, including the number and class of securities subject to each such outstanding Stock Award or performance share award, and the number and class of securities deemed to be held in each deferred compensation account shall be appropriately and equitably adjusted by the Committee, such adjustment to be made in the case of outstanding stock options and SARs without an increase in the aggregate purchase price or base price.

Change in Control

Notwithstanding any other provision in the Amended 2011 Incentive Plan or any agreement, in the event of a Change in Control (as defined below), the TDS Board (as constituted prior to the Change in Control) may in its discretion, but shall not be required to, make such adjustments to outstanding awards under the Amended 2011 Incentive Plan as it deems appropriate, including without limitation:

- (i) causing some or all outstanding stock options and SARs to immediately become exercisable in full; (ii) causing some or all outstanding restricted stock awards to become nonforfeitable and the restriction periods applicable to some or all outstanding restricted stock awards to lapse in full or in part; (iii) causing some or all outstanding RSU awards to become nonforfeitable, and to the extent permissible under Section 409A of the Internal Revenue Code, causing the restriction periods applicable to some or all outstanding RSU awards to lapse in full or in part; (iv) causing some or all outstanding performance share awards to become nonforfeitable, and to the extent permissible under Section 409A of the Internal Revenue Code, causing the performance periods applicable to some or all outstanding performance share awards to lapse in full or in part; (v) causing the performance measures applicable to some or all outstanding performance share awards, restricted stock awards or RSU awards (if any) to be deemed to be satisfied at the target, maximum or any other level, as determined by the TDS Board (as constituted prior to such Change in Control); and (vi) causing some or all amounts deemed to be held in deferred compensation accounts to become nonforfeitable; and/or

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substituting for some or all of the Common Shares available under the Amended 2011 Incentive Plan, whether or not then subject to an outstanding award, the number and class of shares into which each outstanding Common Share shall be converted pursuant to such Change in Control; and/or

requiring that outstanding awards, in whole or in part, be surrendered to TDS in exchange for a payment of cash, shares of capital stock of the company resulting from or succeeding to the business of TDS in connection with the Change in Control or the parent thereof, or a combination of cash and shares.

For purposes of the Amended 2011 Incentive Plan, "Change in Control" means:

the acquisition by any individual, group, firm, corporation, general partnership, limited partnership, limited liability partnership, limited liability company, joint venture, association, trust or other entity (a "Person"), including any "person" within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, of beneficial ownership within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, of the then outstanding securities of TDS (the "Outstanding Voting Securities") (x) having sufficient voting power of all classes of capital stock of TDS to elect at least 50% or more of the members of the TDS Board 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), excluding, however, the following:

any acquisition directly from TDS or an affiliate (excluding any acquisition resulting from the exercise of an exercise, conversion or exchange privilege, unless the security being so exercised, converted or exchanged was acquired directly from TDS or an affiliate);

any acquisition by TDS or an affiliate;

any acquisition by an employee benefit plan (or related trust) sponsored or maintained by TDS or an affiliate;

any acquisition by any corporation pursuant to a transaction which complies with the definition of an excluded Corporate Transaction described in the second bullet point below; or

any acquisition by the following persons:

LeRoy T. Carlson or his spouse, any child of LeRoy T. Carlson or the spouse of any such child, or any grandchild of LeRoy T. Carlson, including any child adopted by any child of LeRoy T. Carlson, or the spouse of any such grandchild (the "Carlson Family Members"),

the estate of any of the Carlson Family Members,

any trust or similar arrangement (including any acquisition on behalf of such trust or similar arrangement by the trustees or similar persons) provided that all of the current beneficiaries of such trust or similar arrangement are the Carlson Family Members, or their lineal descendants, or

the voting trust which expires on June 30, 2035, or any successor to such voting trust, including the trustees of such voting trust on behalf of such voting trust (all such persons, collectively, the "Exempted Persons");

individuals who, as of July 29, 2011, constituted the TDS Board (the "Incumbent TDS Board") cease for any reason to constitute at least a majority of such TDS Board; provided that any individual who becomes a director of TDS after July 29, 2011, whose election, or nomination for election by TDS' shareholders, was approved by the vote of at least a majority of the directors then comprising the Incumbent TDS Board will be deemed a member of the Incumbent TDS Board; and provided further, that any individual who was initially elected as a director of TDS as a result of an actual or threatened solicitation by a Person other than the TDS Board for the purpose of opposing a solicitation by any other Person with respect to the election or removal of directors, or any other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the TDS Board will not be deemed a member of the Incumbent TDS Board;

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consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of TDS (a "Corporate Transaction"), excluding, however, a Corporate Transaction pursuant to which:

all or substantially all of the Persons who are the beneficial owners of the Outstanding Voting Securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, (x) sufficient voting power to elect at least a majority of the members of the board of directors of the corporation resulting from the Corporate Transaction and (y) more than 50% of the combined voting power of the outstanding securities which are entitled to vote generally on matters (without regard to the election of directors) of the corporation resulting from such Corporate Transaction (including in each of clauses (x) and (y), without limitation, a corporation which as a result of such transaction owns, either directly or indirectly, TDS or all or substantially all of TDS' assets), in substantially the same proportions relative to each other as the shares of Outstanding Voting Securities are owned immediately prior to such Corporate Transaction;

no Person, other than the following Persons:

TDS or an affiliate,

any employee benefit plan (or related trust) sponsored or maintained by TDS or an affiliate,

the corporation resulting from such Corporate Transaction,

the Exempted Persons, and

any Person which beneficially owned, immediately prior to such Corporate Transaction, directly or indirectly, 50% or more of the Outstanding Voting Securities, will beneficially own, directly or indirectly, 50% or more of the combined voting power of the outstanding securities of such corporation entitled to vote generally on matters (without regard to the election of directors); and

individuals who were members of the Incumbent TDS Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction; or

approval by the shareholders of TDS of a plan of complete liquidation or dissolution of TDS.

Termination of Employment

All of the terms relating to the treatment of an award (other than deferred bonus and employer match awards) upon an employee's termination of employment with TDS and its affiliates, whether by reason of disability, retirement, death or any other reason, shall be determined by the Committee and set forth in the agreement evidencing the award. Notwithstanding the foregoing, if an employee ceases to be employed by TDS and its affiliates because of the employee's negligence, willful misconduct, competition with TDS or any of its affiliates or misappropriation of confidential information of TDS or any of its affiliates, then the award shall terminate immediately upon such termination of employment, unless such award terminated earlier.

An employee is fully vested in the deferred bonus amounts credited to his or her deferred compensation account, and the employee's separation from service with TDS and its affiliates will not result in forfeiture of such deferred bonus amounts, irrespective of the reason for such separation. If an employee separates from service with TDS and its affiliates by reason of retirement (as defined in the Amended 2011 Incentive Plan), disability (as defined in the Amended 2011 Incentive Plan) or death, all employer match awards credited to the employee's deferred compensation account will become nonforfeitable upon such separation from service to the extent such awards had not been forfeited previously. If an employee separates from service with TDS and its affiliates for any other reason, any unvested employer match awards will be

forfeited. Notwithstanding the foregoing, if an employee separates from service with TDS and its affiliates because of the employee's negligence, willful misconduct, competition with TDS or any of its affiliates or misappropriation of confidential information of TDS or any of its affiliates, then any employer match awards will be forfeited immediately upon such separation from service, unless such awards were forfeited earlier.

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Forfeiture of Award upon Competition with TDS or its Affiliates, or Misappropriation of Confidential Information

Notwithstanding any other provision of the Amended 2011 Incentive Plan, any option, SAR, restricted stock award, RSU award or performance share award, and any balance credited to a deferred compensation account attributable to an employer match award, shall be forfeited if the employee:

enters into competition with TDS or its affiliates, including the following:

directly or indirectly, individually or in conjunction with any person or entity, contacting any customer of TDS or its affiliates or any prospective customer who has been contacted or solicited by or on behalf of TDS or its affiliates for the purpose of soliciting or selling to such customer or prospective customer any competing product or service (except to the extent such contact is made on behalf of TDS or its affiliates); or

otherwise competing with TDS or its affiliates in any manner or otherwise engaging in the business of TDS or its affiliates; or

misappropriates confidential information of TDS or its affiliates.

Transferability

No ISO is transferable other than pursuant to a beneficiary designation effective on the award recipient's death.

RSU awards, performance share awards and amounts credited to an employee's deferred compensation account are not transferable other than:

pursuant to a beneficiary designation effective on the award recipient's death; or

pursuant to a court order entered in connection with a dissolution of marriage or child support.

No other award under the Amended 2011 Incentive Plan is transferable other than:

pursuant to a beneficiary designation effective on the award recipient's death;

pursuant to a court order entered in connection with a dissolution of marriage or child support; or

by gift to a permitted transferee (as defined under the Amended 2011 Incentive Plan), to the extent permitted under:

securities laws relating to the registration of securities subject to employee benefit plans, and

the agreement evidencing the grant of such award.

Except as permitted by the preceding sentences, upon any attempt to sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of any award or deferred compensation account, such award and all rights thereunder will immediately become null and void and any employer match awards credited to a deferred compensation account will immediately be forfeited.

Federal Income Tax Consequences

The following is a brief summary of certain federal income tax consequences, pursuant to the tax laws in effect as of the date of this Proxy Statement, of awards made under the Amended 2011 Incentive Plan. Federal income tax laws are complex and subject to different interpretations, and the following summary is not a complete description of the possible federal income tax consequences of awards made under the Amended 2011 Incentive Plan. The following also does not address the state, local, foreign or other tax consequences of awards made under the Amended 2011 Incentive Plan. The following should not be interpreted as tax advice.

Nonqualified Stock Options. An award recipient will not recognize taxable income at the time of grant of a nonqualified stock option. An award recipient will recognize compensation taxable as ordinary income at the time of exercise of a nonqualified stock option in an amount equal to the excess of the fair market value on the date of exercise of the shares purchased over their exercise price.

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Incentive Stock Options. An award recipient will not recognize taxable income at the time of grant of an ISO. Except for purposes of the alternative minimum tax, an award recipient will not recognize taxable income at the time of exercise of an ISO. If the shares acquired by exercise of an ISO are not disposed of during the period ending on the later of: (i) two years from the date the ISO was granted and (ii) one year from the date the ISO was exercised, any gain or loss arising from a subsequent disposition of such shares will be taxed as long-term capital gain or loss. If, however, such shares are disposed of within such two or one year period, then in the year of such disposition, the award recipient will realize compensation taxable as ordinary income in an amount equal to the lesser of (i) the excess of the fair market value of the shares purchased on the date of exercise over their exercise price or (ii) if the disposition is a taxable sale or exchange, the amount of gain realized. Any gain recognized by the award recipient on the disposition of such shares in excess of the amount taxable as ordinary income will be treated as capital gain, long or short-term depending on whether the stock has been held for more than one year.

SARs. An award recipient will not recognize taxable income at the time of grant of an SAR. An award recipient will recognize compensation taxable as ordinary income at the time of exercise of an SAR in an amount equal to the fair market value of any shares delivered and the amount of any cash paid by TDS.

Bonus Stock. An award recipient will recognize compensation taxable as ordinary income at the time shares of bonus stock are awarded in an amount equal to the excess of the fair market value of such shares at such time over the amount, if any, paid for such shares.

Restricted Stock. An award recipient generally will not recognize taxable income at the time of grant of shares of restricted stock, unless the award recipient makes an election under Section 83(b) of the Internal Revenue Code to be taxed at the time the shares of restricted stock are granted. If such election is made, the award recipient will recognize compensation taxable as ordinary income at the time of grant in an amount equal to the excess of the fair market value of the shares at such time over the amount, if any, paid for such shares. If such election is not made, the award recipient will recognize compensation taxable as ordinary income at the time the restrictions on the shares lapse in an amount equal to the excess of the fair market value of the shares at such time over the amount, if any, paid for such shares. In addition, an award recipient receiving dividends with respect to restricted stock for which the above-described election has not been made and prior to the time the restrictions on the shares lapse will recognize compensation taxable as ordinary income, rather than dividend income, in an amount equal to the dividends paid.

Restricted Stock Units. An award recipient will not recognize taxable income at the time of grant of an RSU. An award recipient will recognize compensation taxable as ordinary income at the time the award is settled in an amount equal to the fair market value of any shares delivered and the amount of any cash paid by TDS.

Performance Share Awards. An award recipient will not recognize taxable income at the time of grant of a performance share award. Upon the settlement of a performance share award in the form of unrestricted shares, cash or a combination of both, the award recipient will recognize compensation taxable as ordinary income in an amount equal to the fair market value of any shares delivered and the amount of any cash paid by TDS. Upon the settlement of a performance share award in the form of restricted stock, the federal income tax consequences associated with such restricted stock shall be determined in accordance with the section above titled "Restricted Stock."

Deferral of Annual Bonus Amount and Employer Match Awards. An award recipient will not recognize taxable income:

at the time of deferral of any annual bonus amount which he or she properly elects not to receive currently by deferring such amount into a deferred compensation account; or

at the time of grant of an employer match award.

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At the time the award recipient receives a distribution from his or her deferred compensation account, the award recipient will recognize the distributed amount as compensation taxable as ordinary income.

General. Any compensation taxable as ordinary income with respect to an award recipient will generally be subject to applicable federal, state and local income tax withholding. TDS generally will be entitled to a corresponding corporate income tax deduction at the time that ordinary income is recognized by the award recipient, except to the extent the deduction limits of Section 162(m) of the Internal Revenue Code apply.

Section 162(m) of the Internal Revenue Code

Section 162(m) of the Internal Revenue Code generally limits to \$1 million the amount that a publicly held corporation is allowed each year to deduct for the compensation paid to each of the corporation's Chief Executive Officer and the corporation's three most highly compensated executive officers other than the Chief Executive Officer and Chief Financial Officer. However, "qualified performance-based compensation" is not subject to the \$1 million deduction limit. Qualified performance-based compensation generally must satisfy all of the following requirements:

the compensation must be payable solely on account of the attainment of pre-established objective performance measures;

the performance measures must be determined by a committee consisting solely of two or more "outside directors";

the material terms under which the compensation is to be paid, including the performance measures, must be approved by a majority of the corporation's shareholders before the compensation is paid; and

except in the case of compensation, such as that payable with respect to stock options and SARs, that is attributable solely to the increase in the value of the corporation's stock, the committee administering the plan must certify that the applicable performance measures were satisfied before payment of any performance-based compensation is made.

Compensation payable with respect to stock options and SARs will be considered payable solely on account of the attainment of pre-established objective performance measures (i) if such award has a purchase or base price at least equal to the fair market value of the underlying stock on the date of grant; (ii) if such award is granted by a committee consisting solely of two or more "outside directors" and (iii) if the plan under which the stock option or SAR is granted states the maximum number of shares with respect to which stock options or SARs may be granted during a specified period to any employee (see the section above titled "Maximum Per Person Award").

Other Information

Disclosure cannot be made of the future benefits or amounts that would be received by or allocated to any participants under the Amended 2011 Incentive Plan because the benefit or amount is not determinable until awarded. The following table provides information concerning the benefits that have been received by the following persons and groups under the 2011 Incentive Plan during the lifetime of the plan.

Table of Contents**PLAN BENEFITS UNDER 2011 INCENTIVE PLAN SINCE INCEPTION**

<i>Name and Position</i>	<i>Number of Common Shares Subject to Options(1)</i>	<i>Number of Common Shares Subject to Restricted Stock Unit Awards(2)</i>	<i>Number of Common Shares Subject to Employer Match Awards(3)</i>
LeRoy T. Carlson, Jr., President and CEO of TDS.	495,200	120,219	2,826
Kenneth R. Meyers, President and CEO of U.S. Cellular(4)	402,619	56,809	3,439
Douglas D. Shuma, Senior Vice President and Controller of TDS	66,614	10,486	
C. Theodore Herbert, Vice President Human Resources of TDS	98,592	16,160	
Scott H. Williamson, Senior Vice President Acquisitions and Corporate Development of TDS	241,042	36,479	
David A. Wittwer, President and CEO of TDS Telecom	262,591	44,902	
Other Executive Officers(5)	315,983	56,644	3,860
Total for Executive Group	1,882,641	341,699	10,125
Non-Executive Board of Director Group			
Non-Executive Employee Group	1,077,486	344,687	
TOTAL	2,960,127	686,386	10,125

(1) Represents the number of Common Shares subject to stock options granted during the lifetime of the plan.

(2) Represents the number of Common Shares subject to restricted stock unit awards granted during the lifetime of the plan.

(3) Represents the number of Common Shares subject to employer match awards granted during the lifetime of the plan.

(4) As a result of his appointment as U.S. Cellular's President and CEO, Kenneth R. Meyers will not participate in the TDS long-term incentive plans going forward. Instead, Mr. Meyers is eligible to participate in the U.S. Cellular long-term incentive plans.

(5) Includes LeRoy T. Carlson, Peter L. Sereda, Kurt B. Thaus and Joseph R. Hanley.

Executive officers and other officers and employees of TDS, including persons who are participants in the solicitation of proxies for the proposals in this Proxy Statement, have an interest in the foregoing proposal because they may be granted awards under the Amended 2011 Incentive Plan.

The TDS Board unanimously recommends a vote "FOR" approval of the Amendment to the 2011 Incentive Plan and the material terms of the performance goals under the 2011 Incentive Plan.

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**PROPOSAL 4
ADVISORY VOTE ON EXECUTIVE COMPENSATION**

What am I being asked to vote on in Proposal 4?

In Proposal 4, we are providing shareholders with a vote to approve, on an advisory basis, the compensation of our named executive officers as disclosed in this 2014 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.

TDS 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. TDS 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 TDS board of directors adopted a policy to hold the Say-on-Pay vote every year, as was previously disclosed in TDS' Current Report on Form 8-K dated May 19, 2011. Accordingly, TDS is holding a Say-on-Pay vote every year unless and until this policy is changed. After the Say-on-Pay vote in 2014, the next Say-on-Pay vote will be held in 2015. TDS intends to next submit the Say-on-Frequency proposal 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 2014 Proxy Statement.

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

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

TDS believes that its executive compensation program is reasonable, competitive and strongly focused on pay for performance. TDS' 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 Compensation Committee has developed and approved an executive compensation philosophy to provide a framework for TDS' 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 TDS, our board of directors or the Compensation Committee. However, the board of directors and the 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 4.

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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 Annual Report on Form 10-K for the fiscal year ended December 31, 2013.

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 Summary Compensation Table.

Executive Summary

TDS is a holding company, the primary business units of which are U.S. Cellular, which operates TDS' Wireless segment, and TDS Telecom, which operates TDS' Wireline, Hosted and Managed Services (HMS) and Cable segments. At December 31, 2013, U.S. Cellular served 4.8 million wireless customers and TDS Telecom served 1.1 million wireline and cable connections. U.S. Cellular accounted for approximately 80% of TDS' revenues in 2013, TDS Telecom accounted for approximately 19%, and other non-reportable segments accounted for approximately 1%.

Compensation Philosophy and Objectives

TDS and its business units are 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.

TDS' 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.

Highlights of the TDS Compensation Programs:

We have a Compensation Committee, comprised solely of independent directors, that reviews and approves the salaries, bonuses and long-term compensation of executive officers (other than the President and Chief Executive Officer of U.S. Cellular).

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

Our executive officer compensation levels are based in part on competitive market compensation data supplied by our Compensation Committee's independent compensation consultant, Compensation Strategies, Inc., and by our compensation consultant, Towers Watson.

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

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

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

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

The maximum amount of the bonus paid to officers related to company performance is 200% of the target opportunity allocated to company performance.

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2013 Compensation

Our executive officers' 2013 compensation was comprised of a mix of base salary, annual cash bonuses and equity-based, long-term incentive awards.

When setting 2013 base salaries, our Compensation Committee considered the competitive market compensation data supplied by compensation consultants, the executives' 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".

For bonuses for 2013 performance paid in 2014, the performance weighting was based 40% on individual performance and 60% on consolidated company performance (unless adjusted for specified officers by the Compensation Committee). We determined that the company performance portion of the bonus for 2013 performance would be paid at 68.2% of the target. Please refer to a description of TDS' 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 2013 were 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 executive compensation to increases in shareholder value over the same period. Please refer to the description of each named executive officer's 2013 long-term equity compensation awards under "Compensation Discussion and Analysis Long-Term Equity Compensation".

Corporate Governance

TDS endeavors to follow good corporate governance practices and other best practices. For instance, TDS has established a fully independent Compensation Committee, even though it is not required to do so under law, SEC regulations or NYSE listing requirements because it is a controlled company. Good corporate governance is an important consideration to the Compensation Committee. TDS' commitment to good corporate governance has been recognized by *Forbes*, which has published a list of the *Most Trustworthy* companies since 2007. TDS was one of only 100 companies to be named *Most Trustworthy* in each of 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 TDS' good corporate governance practices and other best practices is set forth below under "Corporate Governance and Best Practices."

Unrealized Components of Compensation

The compensation reported under "Stock Awards" and "Option Awards" in the Summary Compensation Table represents grant date 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 TDS stock price. With respect to 2013, the amount of compensation realized by each named executive officer can be approximated by (i) deducting from the "Total" in the 2013 Summary Compensation Table the amounts reported in the "Stock Awards" and "Option Awards" columns for such officer, and (ii) adding the values realized in 2013 by such officer from the 2013 Option Exercises and Stock Vested table below. However, other unrealized components of compensation also may be included in the Summary Compensation Table, such as retirement plan contributions that are subject to a vesting schedule.

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Say-on-Pay Vote

SEC rules require TDS 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, if so, how that consideration has affected its executive compensation decisions and policies.

Responsive to the foregoing requirement, the Compensation Committee considered the fact that over 87% of the votes represented at the 2013 annual meeting that could be cast were cast FOR the Say-on-Pay proposal with respect to 2012 named executive officer compensation, as disclosed in TDS' 2013 proxy statement. Because of the substantial support from shareholders in 2013, the Compensation Committee did not make any changes to TDS' executive compensation policies and decisions with respect to 2013 executive compensation as a result of the Say-on-Pay vote in 2013. (However, as described in "Changes to Compensation Policies" hereafter, certain changes were made to the 2013 executive compensation programs unrelated to the Say-on-Pay vote.) The 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

The Compensation Committee, with the advice of its independent compensation consultant, worked with management to make a number of what they consider to be enhancements to TDS' executive compensation programs to become effective in 2013. The reasons for these enhancements were primarily to:

better motivate our executives;

better align our executives' cash bonuses with TDS' consolidated performance with a view to enhancing shareholder value;
and

simplify these programs.

The following enhancements were made:

For bonuses relating to 2013 performance to be paid in 2014, 60% of the bonus was based on a quantitative calculation of company performance and 40% was based on individual performance, and the discretionary qualitative component for assessing company performance was eliminated. Prior to this change, 50% of the bonus had been based on quantitative and qualitative assessments of company performance and 50% on individual performance. In addition, for bonuses relating to 2013 performance to be paid in 2014, company performance was based on consolidated results of TDS (rather than a weighted average of U.S. Cellular and TDS Telecom company performance). For 2013, the TDS consolidated company performance was based on the following three metrics with the following weights: adjusted operating revenues (40%); adjusted income before income taxes, or "AIBIT" (35%); and adjusted capital expenditures (25%).

Effective with the long-term incentive awards granted to TDS and TDS Telecom officers and other employees in 2013, 50% of the target value was delivered in the form of stock options and 50% in the form of restricted stock units. Prior to this change, 60% of the target value had been delivered in the form of stock options and 40% had been delivered in the form of restricted stock units.

In addition, stock option and restricted stock unit awards granted in 2013 will vest in their entirety on the third anniversary of the grant date. Prior to this change, restricted stock units vested in December in the second year following the grant date, and options became exercisable with respect to one-third of the number of shares subject to the option on each of the first, second and third anniversaries of the grant date.

The foregoing changes do not apply to the President and CEO of U.S. Cellular. The compensation of the President and CEO of U.S. Cellular is established and administered by U.S. Cellular's chairman and the long-term incentive compensation committee of U.S. Cellular.

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Overview

TDS' 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 TDS, utilizing good governance practices and other best practices, as discussed below.

TDS' policies establish incentive compensation performance goals for executive officers based on factors over which such officers have control and which are viewed as important to TDS' long-term success. TDS believes compensation should be related to the performance of TDS and should be sufficient to enable TDS to attract and retain individuals possessing the talents required for long-term successful performance. Nevertheless, although performance influences compensation and awards, all elements of compensation are discretionary and officers do not become entitled to any compensation or awards solely as a result of the achievement of performance levels. References to "CEO" below refer to the Chief Executive Officer and may refer to the President and CEO of TDS, U.S. Cellular or TDS Telecom, as indicated.

The responsibilities of the TDS Compensation Committee include the review of salary, bonus, long-term compensation and all other elements of compensation of executive officers of TDS, other than officers of U.S. Cellular or any of its subsidiaries. For these purposes, "executive officers" means all officers that are employees who are or will be identified in TDS' annual proxy statement as "executive officers," including the President and CEO of TDS Telecom and U.S. Cellular. The compensation of the President and CEO of U.S. Cellular is established and administered by U.S. Cellular's chairman and long-term incentive compensation committee, as described in the proxy statement of U.S. Cellular relating to its 2014 annual meeting.

Accordingly, except as expressly indicated below, the following discussion does not apply to Mary N. Dillon, the former President and CEO of U.S. Cellular or to Kenneth R. Meyers with respect to the period after June 22, 2013 when he was appointed President and CEO of U.S. Cellular. Kenneth R. Meyers is a party to a letter agreement dated July 25, 2013 related to his employment with U.S. Cellular effective June 22, 2013. In general, this letter agreement provides for an annualized base salary for 2013 of \$830,000, a target bonus opportunity for 2013 of \$664,000, a non-qualified option to purchase 125,000 USM Common Shares, a restricted stock unit award with respect to 45,000 USM Common Shares, annual equity awards, cash payments or reimbursements with respect to retiree medical and life insurance benefits including a related tax gross-up, and severance equal 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. This letter agreement is further described in footnote 2 to the Summary Compensation Table.

The TDS Compensation Committee's charter provides that it will obtain advice and assistance from TDS' President and CEO and Vice President Human Resources and from any other officer or employee of TDS, as it determines is appropriate. As discussed below, the Compensation Committee also utilizes the services of both an independent compensation consultant and TDS' compensation consultant.

The Compensation Committee has not delegated any of its authority with respect to any of the officers identified in the Summary Compensation Table. The Compensation Committee's charter, however, permits it to delegate some or all of the administration of the long-term incentive plans or programs to the TDS President and CEO or other executive officer of TDS as the Compensation Committee deems appropriate, to the extent permitted by law and the applicable long-term incentive plan or program, but not regarding any award to the TDS President and CEO.

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Corporate Governance and Best Practices

As noted above, TDS' commitment to good corporate governance has been recognized by *Forbes*, which has published a list of the *Most Trustworthy* companies since 2007. TDS was one of only 100 companies to be named *Most Trustworthy* in each of 2012, 2010 and 2009. *Forbes* used *Governance Metrics International* or its predecessor *Audit Integrity* ("GMI"), to analyze more than 8,000 companies before selecting the top 100. For 2012, TDS had an accounting and governance risk score of 98 out of 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 also an important consideration of the Compensation Committee. The following identifies a number of the good governance practices and other best practices adopted and followed by TDS, even though in many cases it is not required to do so under law, SEC rules or NYSE listing requirements as a controlled company:

- (a) TDS' board of directors has a majority of independent directors.
- (b) All directors are elected annually.
- (c) TDS has adopted Corporate Governance Guidelines that are intended to reflect good corporate governance and other best practices.
- (d) TDS has established a Corporate Governance and Nominating Committee.
- (e) The Corporate Governance and Nominating Committee operates under a formal charter and in a manner that is intended to reflect good corporate governance and other best practices.
- (f) The positions of (i) Chairman of the Board and (ii) President and Chief Executive Officer are separated.
- (g) The TDS Audit Committee, which is comprised entirely of independent directors, operates under a formal charter and in a manner that is intended to reflect good corporate governance and other best practices.
- (h) TDS has established a Compensation Committee comprised solely of independent directors.
- (i) The Compensation Committee operates under a formal charter and in a manner that is intended to reflect good corporate governance and other best practices.
- (j) The Compensation Committee's charter provides that the Compensation Committee has the authority to engage advisors, the fees of which are paid by TDS.
- (k) Pursuant to the foregoing authority, the Compensation Committee has retained and obtained the advice of Compensation Strategies, Inc., a provider of executive compensation consulting services, since 2008. Compensation Strategies is independent and does not have any other relationships with or provide any other services to TDS or its affiliates.
- (l) The Compensation Committee uses market compensation information supplied by Compensation Strategies as a market check of Towers Watson data in making executive officer compensation decisions.

In addition to being comprised solely of independent directors, the members of the Compensation Committee are highly experienced and eminently qualified: George W. Off, former chief executive officer and chairman of Checkpoint Systems, Inc. and of Catalina Marketing Corporation, has substantial experience as the principal executive officer of public companies; Christopher D. O'Leary, currently executive vice president and chief operating officer international of General Mills, Inc., has many years

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of significant experience in senior management of large businesses with a large number of employees; Gary L. Sugarman, formerly executive chairman of FXecosystem, Inc., managing member of Richfield Capital Partners and principal of Richfield Associates, Inc., has substantial experience in management, acquisitions and business development of telecommunications companies; and Herbert S. Wander (chairperson) is a partner of Katten Muchin Rosenman LLP with a national reputation as a corporate and acquisitions lawyer and as a corporate governance expert.

Objectives and Reward Structure of TDS' Compensation Programs

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

The objectives of TDS' compensation programs for executive officers are to:

support TDS' overall business strategy and objectives;

attract and retain high quality management;

link individual compensation with attainment of individual performance goals and with attainment of business unit and TDS objectives; and

provide competitive compensation opportunities consistent with the financial performance of TDS.

The primary financial focus of TDS as a consolidated enterprise is the increase of long-term shareholder value through growth, measured primarily in such terms as adjusted operating revenues, adjusted income before income taxes, or "AIBIT," and adjusted capital expenditures. Operating units of TDS may have somewhat different primary financial measures. TDS' compensation policies for executive officers are designed to reward the achievement of such corporate performance goals. However, there is no strict relationship between elements of compensation or total compensation and such measures of performance. Instead, compensation decisions are made subjectively by the Compensation Committee, considering certain performance measures, as well as all other appropriate facts and circumstances.

Each element of compensation and the total compensation of the named executive officers are determined on the basis of the Compensation Committee's analysis of multiple factors rather than solely on specific measures of performance. The Compensation Committee does not rely solely on predetermined formulas or a limited set of criteria when it evaluates the performance of the named executive officers.

TDS' compensation programs are designed to reward performance of TDS 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 is similar but with some differences for each of the named executive officers depending on such officer's position and responsibilities.

The Compensation Committee evaluates the performance of the President and CEO of TDS in light of the annual and ongoing objectives for TDS and for its primary business units and the degree of attainment of those objectives, and sets the elements of compensation for the President and CEO of TDS based on such performance evaluation and compensation principles, as discussed below.

With respect to the other executive officers identified in the Summary Compensation Table, the Compensation Committee reviews management's evaluation of the performance of such executive officers and determines and approves the elements of compensation for such executive officers based on such performance evaluations and compensation principles and the Compensation Committee's own assessment on the performance of these officers, 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 TDS chooses to pay each element of

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compensation, (iii) how TDS determines the amount or formula for each element of compensation, and (iv) how each compensation element and TDS' decisions regarding that element fit into TDS' overall compensation objectives and affect decisions regarding other elements.

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

Annual Cash Compensation

- o Salary
- o Bonus

Equity Compensation pursuant to Long-Term Incentive Plans

- o Stock Awards
 - Bonus Match Unit Awards
 - Restricted Stock Unit Awards
- o Stock Options

Other Benefits and Plans Available to Named Executive Officers

- o Deferred Compensation
- o Supplemental Executive Retirement Plan ("SERP")
- o Perquisites

Other Generally Applicable Benefits and Plans

- o Tax-Deferred Savings Plan
- o Pension Plan
- o Post-Retirement Welfare Benefits
- o Welfare Benefits during Employment

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TDS has chosen to pay or provide these elements of compensation after considering common compensation practices of peers and other companies with similar characteristics, in order to support TDS' overall business strategy and objectives. TDS recognizes that it must compensate its executive officers in a competitive manner. Executive compensation is intended to provide, in the judgment of the Compensation Committee, an appropriate balance between the long-term and short-term performance of TDS, and also a balance between TDS' financial performance and shareholder return.

TDS does not have defined guidelines that determine the amount or formula for each element of pay. TDS also does not have defined guidelines that determine how each compensation element and decisions regarding that element fit into TDS' overall compensation objectives and affect decisions regarding other elements. TDS has no target levels for cash versus equity compensation. Instead, TDS establishes elements of compensation and determines how they fit together overall in the manner described in the following discussion.

As noted above, the elements of executive compensation include both annual cash and long-term equity compensation. Annual cash compensation consists of base salary and an annual bonus. Annual 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 Compensation Committee determines annually each executive officer's base salary, taking into consideration: (1) the salary range for the executive officer's position and responsibilities, (2) his or her performance during the preceding year, (3) his or her performance during the executive's tenure in the position, (4) TDS' and its business units' performance during the year compared to plan and compared

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with that of similar companies, (5) the recommendation of the President and CEO (with respect to executive officers other than the President and CEO) and (6) such other facts and circumstances as the Compensation Committee may deem relevant. The Compensation Committee makes such determination considering the matters described below, including advice and information from its independent compensation consultant, Compensation Strategies, Inc. See "Compensation Consultant" below for information about Compensation Strategies.

In addition, the Compensation Committee determines annually each executive officer's bonus, taking into consideration: (1) the executive officer's performance during the preceding year, including contributions to TDS and its business units, and achievement of individual objectives, (2) TDS' and its business units' performance during the year compared to plan and compared with that of similar companies, (3) the achievement of important corporate and business unit objectives for the year, (4) the recommendation of the President and CEO (with respect to executive officers other than the President and CEO) and (5) such other facts and circumstances as the Compensation Committee may deem relevant.

In general, other facts and circumstances that the Compensation Committee considers in determining the annual cash compensation of the named executive officers and/or that the President and CEO considers in his evaluation and recommendation to the Compensation Committee with respect to the other named executive officers include the following: TDS' status as a public company and a controlled company; the publicly-available market compensation information of cash compensation of TDS' publicly-held peers and other publicly-held companies, as discussed below; the fact that TDS is primarily a regional competitor and that some of its competitors are national or global telecommunications companies that are much larger than TDS and possess greater resources than TDS; and TDS' primary financial focus of increasing long-term shareholder value through growth. Additional facts and circumstances considered with respect to the named executive officers are discussed below in the discussion relating to each such officer.

The Compensation Committee also determines long-term equity compensation awards to the named executive officers (other than the President and CEO of U.S. Cellular) under the TDS long-term incentive plans, which include options, restricted stock units and bonus match units, as discussed below. Grants of options, restricted stock units and bonus match units by TDS to the President and CEO and the other executive officers are generally made to all such officers at the same time in a particular year. In 2013, options and restricted stock units were granted on May 10, 2013. Bonus match units were granted on March 15, 2013 (the date that the related bonus was determined). TDS may also make grants of equity awards during other times of the year as it deems appropriate. All option, restricted stock unit and bonus match unit awards are expensed over the applicable vesting periods.

TDS does not backdate options or have any program, plan or practice to time the grant of awards in coordination with the release of material non-public information.

The Compensation Committee does not consider an officer's outstanding equity awards or stock ownership levels when determining the value of the long-term incentive award component of such officer's compensation. The Compensation Committee makes long-term incentive awards based on performance for a particular year and other considerations as described herein and does not consider outstanding equity awards and stock ownership to be relevant in connection therewith.

Risks Relating to Compensation to Executive Officers

TDS does not believe that the incentives in compensation arrangements maintained by TDS encourage executive officers to take unnecessary, excessive or inappropriate risks that could threaten the value of TDS, or that risks arising from TDS' compensation policies and practices for executive officers are reasonably likely to have a material adverse effect on TDS. Also, TDS does not believe that risks arising from TDS' compensation policies and practices for its employees, including non-executive officers, are reasonably likely to have a material adverse effect on TDS. See discussion under "Risks from Compensation Policies and Practices" below.

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Compensation Consultant

Towers Watson is TDS management's primary compensation consultant. Towers Watson is engaged by TDS management who provides from time to time to the Compensation Committee various materials provided to TDS by Towers Watson as described below. Towers Watson also provides compensation consulting and other services to TDS' subsidiary, U.S. Cellular, which are described in the U.S. Cellular 2014 proxy statement. The TDS Compensation Committee has no involvement in such consulting or other services provided to U.S. Cellular.

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 TDS from its executive compensation survey database. See "Benchmarking/Market Compensation Data" below. Towers Watson also performs other services for TDS, which may include consulting on TDS compensation plans.

The Compensation Committee's charter provides that the Compensation Committee shall have the authority to engage advisors as it deems necessary to carry out its duties and that TDS shall provide appropriate funding, as determined by the Compensation Committee, for payment of any advisor retained by the Compensation Committee, as well as ordinary administrative expenses of the Compensation Committee that are necessary or appropriate in carrying out its duties. Pursuant to such authority, since 2008, the Compensation Committee has retained and obtained the advice of Compensation Strategies, Inc., a provider of executive compensation consulting services. TDS management has no role in the engagement of Compensation Strategies and Compensation Strategies does not provide any services to TDS or its affiliates other than its services to the Compensation Committee.

As required by SEC rules, the following discloses the role of Compensation Strategies 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 Compensation Strategies with respect to the performance of its duties under its engagement: Compensation Strategies reviews TDS' various compensation elements and programs and provides independent analysis and advice to the Compensation Committee for the purpose of evaluating such elements and programs. As discussed below under "Benchmarking/Market Compensation Data", Compensation Strategies conducted a competitive review of compensation levels of TDS executive officers in 2013 as a cross-check to the information provided by Towers Watson. In 2013, Compensation Strategies also provided advice to the Compensation Committee relating to changes to the bonus program discussed above and advice on other elements of compensation.

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Compensation Consultant Conflicts of Interest

With regard to each of Towers Watson and Compensation Strategies, the Compensation Committee considered if their work raised any conflict of interest.

The following identifies considerations by the Compensation Committee in evaluating whether the work of Towers Watson or Compensation Strategies in 2013 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 Towers Watson and Compensation Strategies.

<i>FACTOR</i>	<i>TOWERS WATSON</i>	<i>COMPENSATION STRATEGIES</i>
<p>1. The provision of other services to the issuer by the person that employs the compensation consultant.</p>	<p>1. The Compensation Committee does not believe the market compensation data provided by Towers Watson to TDS management who furnishes this information to the Compensation Committee, or the other services of Towers Watson, raise a potential conflict of interest, but if they did, it has been addressed by the Compensation Committee by retaining and obtaining the advice of an independent compensation consultant, Compensation Strategies.</p>	<p>1. Neither Compensation Strategies nor its affiliates provided any services to TDS or its affiliates or to the Compensation Committee in 2013 other than the services to the Compensation Committee described above under "Compensation Consultant".</p>
<p>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.</p>	<p>2. The amount of fees received from TDS by Towers Watson as a percentage of the total revenue of Towers Watson is not significant (far less than 1% of Towers Watson's revenue). (The amount of fees received from U.S. Cellular by Towers Watson as a percentage of the total revenue of Towers Watson is also insignificant and far less than 1% of Towers Watson's revenue).</p>	<p>2. Although the amount of fees received from TDS by Compensation Strategies as a percentage of the total revenue of Compensation Strategies is a more significant component of its revenue than the fees received from TDS by Towers Watson, this is not considered to be a significant concern because Compensation Strategies is not dependent on fees from TDS. Also, Compensation Strategies is engaged by the Compensation Committee for independent advice with respect to compensation to TDS management, and is not engaged by and has no dependence on engagements from TDS management.</p>
<p>3. The policies and procedures of the person that employs the compensation consultant that are designed to prevent conflicts of interest.</p>	<p>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.</p>	<p>3. The policies and procedures of Compensation Strategies, including the policies and procedures relating to the six factors set forth in this table, are designed to prevent conflicts of interest.</p>

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FACTOR

4. Any business or personal relationships of the compensation consultant with a member of the compensation committee.

5. Any stock of the issuer owned by the compensation consultant.

6. Any business or personal relationships between the executive officers of the issuer and the compensation adviser or the person employing the adviser.

TOWERS WATSON

4. There are no business or personal relationships of Towers Watson or its representatives providing compensation consulting services to TDS (or their immediate family members) with any member of the Compensation Committee, except the business relationship arising from the compensation consulting and other services provided to TDS by Towers Watson, as disclosed in this 2014 Proxy Statement (and the compensation consulting and other services provided to U.S. Cellular by Towers Watson, as disclosed in the U.S. Cellular 2014 proxy statement).

5. Stock of TDS (or U.S. Cellular) is not owned by Towers Watson or its representatives providing compensation consulting services to TDS (or their immediate family members).

6. There are no business or personal relationships between any executive officers of TDS, and Towers Watson or its representatives providing compensation consulting services to TDS (or their immediate family members), except the business relationship arising from the compensation consulting and other services provided to TDS by Towers Watson, as disclosed in this 2014 Proxy Statement (and the compensation consulting and other services provided to U.S. Cellular by Towers Watson, as disclosed in the U.S. Cellular 2014 proxy statement).

COMPENSATION STRATEGIES

4. There are no business or personal relationships of Compensation Strategies or its representatives providing compensation consulting services to TDS (or their immediate family members) with any member of the Compensation Committee, except the business relationship arising from the compensation consulting services provided to TDS by Compensation Strategies, as disclosed in this 2014 Proxy Statement.

5. Stock of TDS (or U.S. Cellular) is not owned by Compensation Strategies or its representatives providing compensation consulting services to TDS (or their immediate family members).

6. There are no business or personal relationships between any executive officers of TDS, and Compensation Strategies or its representatives providing compensation consulting services to TDS (or their immediate family members), except the business relationship arising from the compensation consulting services provided to TDS by Compensation Strategies, as disclosed in this 2014 Proxy Statement.

Although the independence rules of Section 303.05 of the NYSE Listed Company Manual are not applicable to TDS because it is a controlled company, the Compensation Committee believes that Compensation Strategies would nonetheless satisfy the independence requirements of such rules if they were applicable, based on the above criteria.

Neither Towers Watson nor Compensation Strategies provides any advice as to director compensation.

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Benchmarking/Market Compensation Data

TDS 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 TDS 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.

In addition, the Compensation Committee obtains peer group information from its independent compensation consultant, Compensation Strategies. In particular, in 2013, Compensation Strategies provided market data for a peer group for purposes of a competitive review of compensation levels of TDS' executive officers. This was done as a cross-check against the information provided by Towers Watson in connection with the approval of compensation in 2013, as described below.

For executive compensation purposes, market compensation data is obtained from the Towers Watson Executive Compensation Database. For compensation decisions in 2013, data was obtained from the 2012 database, which contained data for over 750 companies that represented a diverse range of companies across all industries, including companies from the telecommunications, retail, financial, electronics, pharmaceutical, manufacturing and consumer products sectors. This database was used to identify the ranges of annual cash compensation considered to be appropriate for the named executive officers, as discussed below. This database also was used in evaluating the equity compensation awards of the named executive officers, as discussed below. TDS believes this approach provides a reasonably accurate reflection of the competitive market for such elements of compensation necessary to retain current executives and attract future executives to positions at TDS. In addition, TDS believes this methodology is more statistically valid than solely benchmarking these elements of compensation to the limited number of companies in the peer group used for the "Stock Performance Graph" that is included in the TDS Annual Report to shareholders, as discussed below.

The identities of the individual component companies that are included in the Towers Watson database are neither disclosed to nor considered by TDS or the Compensation Committee. TDS and the Compensation Committee rely upon and consider to be material only the aggregated survey data prepared by Towers Watson. They do not obtain or consider information on the identities of the individual companies included in the survey in connection with any compensation decisions because this information is not considered to be material.

As a cross-check in 2013, Compensation Strategies created an industry peer group that consisted of the following 20 publicly-traded companies: Cablevision Systems Corporation, CenturyLink, Charter Communications, Cincinnati Bell, Crown Castle International, DISH Network Corporation, Earthlink, Equinix, Fairpoint Communications, Frontier Communications, Harris Corp., IDT Corp., Leap Wireless International, Level 3 Communications, NII Holdings, Rackspace Hosting, SBA Communications, tw telecom, Vonage Holdings and Windstream. These companies were included in this analysis because they are companies somewhat similar in size to TDS in similar industries. Compared to the group used for the 2012 cross-check analysis, this peer group was increased from 11 primarily telecommunications companies to 20 broader communications companies, including cable companies and internet hosting/cloud computing companies, due to changes in TDS' business.

TDS also generally considers compensation arrangements at the companies in the peer group index included in the "Stock Performance Graph" that is included in the TDS Annual Report to shareholders, 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 is used to generally understand the market for compensation arrangements for executives, but is not used for benchmarking purposes.

TDS selected the Dow Jones U.S. Telecommunications Index, a published industry index, as its peer group for the Stock Performance Graph in the 2013 Annual Report. As of December 31, 2012, 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

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Communications, NII Holdings, SBA Communications Corp., Sprint Nextel, Telephone and Data Systems, tw telecom (Class A), U.S. Cellular, Verizon Communications, Virgin Media and Windstream. As of December 31, 2013, Dow Jones deleted Cincinnati Bell and Leucadia National and added T-Mobile US to this index.

Company Performance

On a weighted basis, U.S. Cellular achieved 90.7% of its targets which produced a payout of 67.5% of target for the company performance portion of its 2013 executive bonus plan, as disclosed in the U.S. Cellular 2014 proxy statement. The TDS Telecom 2013 company performance for purposes of its 2013 bonus plan was determined to be 105.4% of target, as disclosed in TDS' Current Report on Form 8-K dated March 13, 2014. In prior years, the quantitative company performance for TDS was determined as a weighted average of the U.S. Cellular and TDS Telecom company performance. As discussed above, for bonuses relating to 2013 performance paid in 2014, TDS company performance was based on consolidated results of TDS, rather than a weighted average of U.S. Cellular and TDS Telecom company performance. For 2013, the TDS consolidated company performance for purposes of its 2013 bonus plan was determined to be 68.2% of target.

For 2013, the TDS consolidated company performance was based on the following three metrics with the following weights: adjusted operating revenues (40%); adjusted income before income taxes, or "AIBIT" (35%); and adjusted capital expenditures (25%).

The forgoing reflects changes from the prior year as described and for the reasons discussed under "Changes to Compensation Policies" above.

The following shows TDS' calculation of consolidated company performance with respect to 2013. The below amounts are based on the performance metrics established specifically for bonus purposes and may not agree with TDS' 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 amounts (the "Bonus Metric Amounts"). The below Bonus results and Targets are intended to reflect the regular operating results over which TDS officers have significant influence.

<i>Performance Measures</i>	<i>Final Bonus Results for 2013</i>	<i>Final Target for 2013</i>	<i>Interpolated % of Target Bonus Earned</i>				<i>Weighted Avg % of Target Bonus</i>	
			<i>Bonus Minimum Results as a % of Target</i>	<i>Threshold as a % of Target</i>	<i>Maximum Performance as a % of Target</i>	<i>(if Minimum and Maximum Range)</i>		
Adjusted Consolidated Operating Revenues(1)	\$4,330 million	\$4,492 million	96.4%	90%	110%	82.0%	40%	32.8%
Consolidated AIBIT(2)	\$ 774 million	\$ 924 million	83.8%	85%	115%	0%	35%	0%
Adjusted Consolidated Capital Expenditures(3)	\$ 865 million	\$ 902 million	95.8%	105%	90%	141.8%	25%	35.5%
Overall Company Performance							100%	68.2%

- (1) Adjusted Consolidated Operating Revenues represents consolidated "Operating revenues" excluding U.S. Cellular "Equipment sales revenues," as adjusted for the Bonus Metric Amounts.
- (2) Consolidated AIBIT represents consolidated "Adjusted income before income taxes" as set forth in Note 18 Business Segment Information, in the notes to the consolidated financial statements included in the 2013 Annual Report, 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, 200% of the bonus opportunity for that metric will be funded. As shown above, the minimum threshold was achieved with respect to two of the three metrics, 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 TDS bonus plan.

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In accordance with this methodology, the overall percentage deemed to have been achieved by TDS for company performance with respect to 2013 was 68.2%.

Personal Objectives and Performance

In addition to TDS and/or business unit performance, the Compensation Committee may consider personal objectives and performance. There was no minimum level of achievement of any personal objectives that was required for any cash compensation decision. The assessment of the achievement of personal objectives is not formulaic, objective or quantifiable. Instead, the individual performance considerations are factors, among others, that are taken into account in the course of making subjective judgments in connection with compensation decisions.

The following summarizes the TDS corporate objectives and accomplishments applicable to the TDS President and CEO and all other TDS corporate executive officers in 2013. In addition to achieving overall TDS performance for 2013 of 68.2% of target as discussed above, TDS took actions in furtherance of the following objectives: (i) assessing and evaluating the strategies and programs of its business units for delivering high levels of customer satisfaction, growth and good return on investment, (ii) identifying and realizing additional cost savings from service, product design and process improvements and other efficiency initiatives, (iii) providing financing for acquisitions for the company's growth initiatives, (iv) maximizing value for non-strategic assets in the Sprint divestiture markets, (v) clarifying FCC wireless spectrum strategy and working with U.S. Cellular to acquire spectrum and obtain rules for major spectrum auctions that make useful spectrum accessible to U.S. Cellular to support its growth, (vi) working with U.S. Cellular and TDS Telecom to effectively execute 2013 technology deployments and to effectively plan 2014 technology deployments, (vii) assisting TDS Telecom in sourcing, evaluating and acquiring attractive cable/broadband companies and additional attractive HMS companies, (viii) developing a process and team to find and evaluate future growth opportunities, (ix) developing and implementing a strategy for managing cash balances of subsidiaries, (x) assessing additional shareholder-friendly, value-enhancing opportunities that are consistent with TDS' long-term strategies, (xi) developing and executing an enterprise-wide wellness program, and (xii) developing an appropriate health care strategy considering health care law changes.

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The following shows certain considerations relating to compensation paid by TDS in 2013:

	<i>LeRoy T. Carlson, Jr.</i>	<i>Kenneth R. Meyers</i>	<i>Douglas D. Shuma</i>	<i>C. Theodore Herbert</i>	<i>Scott H. Williamson</i>	<i>David A. Wittwer</i>
Position at TDS	Director and President and CEO	Director and, until 7/19/13, Executive Vice President and CFO	Senior Vice President and Controller (chief financial officer and chief accounting officer)	Vice President Human Resources	Senior Vice President Acquisitions and Corporate Development	Executive Officer
Position at U.S. Cellular	Director and Chairman	Director and, until 6/21/13, Vice President and Assistant Treasurer, and after 6/21/13, President and CEO	Chief Accounting Officer	N/A	N/A	N/A
Position at TDS Telecom	Director and Chairman	Director	Chief Accounting Officer	N/A	N/A	Director and President and CEO
Year Appointed to Current Officer Title	1981 (President) and 1986 (CEO)	6/22/13	2007, except chief financial officer designation added on 7/19/13	1985	1998	2006
Year Employed at TDS or its Subsidiaries	1968	1987	2007	1985	1995	1983
Primary Responsibilities for 2013	Primary responsibility for operations and performance of TDS and subsidiaries as TDS CEO	Primary responsibility for financial affairs of TDS and subsidiaries until 7/19/13; and primary responsibility for operations and performance of U.S. Cellular as its CEO after	Primary responsibility for accounting affairs of TDS and subsidiaries; and for financial affairs after 7/19/13	Primary responsibility for human resources of TDS and subsidiaries	Primary responsibility for acquisitions and corporate development of TDS and subsidiaries	Primary responsibility for operations and performance of TDS Telecom as its CEO

6/21/13

Agreement Entered into in 2013

U.S. Cellular and Kenneth R. Meyers entered into 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, the Meyers Letter Agreement provides for an annualized base salary for 2013 of \$830,000, a target bonus opportunity for 2013 of \$664,000, a non-qualified option to purchase 125,000 USM Common Shares, a restricted stock unit award with respect to 45,000 USM Common Shares, and includes provisions relating to annual equity awards, cash reimbursements or payments with respect to 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 (2) to the Summary Compensation Table below for further details.

Annual Cash Compensation

Annual cash compensation decisions, consisting of base salary for the current year and bonus based on performance, are generally made concurrently by the Compensation Committee each year for each of the named executive officers (other than the President and CEO of U.S. Cellular, whose compensation is not determined by the Compensation Committee).

As part of the process of determining the appropriate elements of annual cash compensation for the named executive officers, the Compensation Committee is provided with information about the

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compensation of similar executive officers at other companies, including chief executive officers of companies, chief executive officers and chief operating officers of principal business units, if available, chief financial officers and other officers with responsibilities comparable to the TDS named executive officers, as reported in the survey data discussed above and the proxy statements of other companies. The Compensation Committee also considers recommendations from the President and CEO of TDS regarding compensation for the named executive officers other than himself, each of which reports directly to him. The TDS Vice President Human Resources prepares for the Compensation Committee an analysis of compensation paid to similar executive officers of other comparable companies. See "Benchmarking/Market Compensation Data" above.

Annually, the nature and extent of each executive officer's personal accomplishments and contributions for the year are determined, based on information submitted by the executive and by others familiar with his or her performance, including the President and CEO of TDS in the case of the named executive officers other than himself. The Compensation Committee evaluates the information in terms of the personal objectives established for such executive officer for the performance appraisal period.

The Compensation Committee also assesses how well TDS did as a whole during the year, as discussed above, and the extent to which the President and CEO of TDS believes the executive officers other than the President and CEO of TDS contributed to the results, as discussed below. With respect to executive officers having primary responsibility over a certain business unit or division of TDS, the Compensation Committee considers the performance of the business unit or division and the contribution of the executive officer thereto.

The Compensation Committee uses these sources and makes the determination of appropriate elements of compensation and ranges for such elements for such named executive officers based on its informed judgment, using the information provided to it by the Vice President Human Resources, including information from Towers Watson, and information from its independent compensation consultant, Compensation Strategies. The Compensation Committee also has access to numerous performance measures and financial statistics prepared by TDS. This financial information includes the audited financial statements of TDS, as well as internal financial reports such as budgets and actual results, operating statistics and other analyses. The Compensation Committee may also consider such other factors as it deems appropriate in making its compensation decisions.

The elements of compensation and ranges for such elements are not based on any formal analysis. No specific measures of performance or factors are considered determinative in the compensation of executive officers. Instead, various facts and circumstances are taken into consideration by the Compensation Committee. Ultimately, it is the informed judgment of the Compensation Committee, after reviewing all the facts and circumstances, that determines the elements of compensation and total compensation for the executive officers.

Base Salary

The base salary of each officer is set within the range identified for this element based on an assessment of the responsibilities and the performance of such officer, also taking into account the performance of TDS and/or its business units or divisions, other comparable companies, the industry and the overall economy during the preceding year. Column (c), "Salary," in the Summary Compensation Table includes the dollar value of base salary (cash and non-cash) earned by the named executive officers during 2013, 2012 and 2011, whether or not paid in such year.

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The following shows certain information relating to the rate of base salary in 2013 compared to 2012 for the named executive officers whose 2012 compensation was previously reported. The following shows information for Kenneth R. Meyers prior to his appointment as President and CEO of U.S. Cellular.

	<i>LeRoy T. Carlson, Jr.</i>	<i>Kenneth R. Meyers</i>	<i>Scott H. Williamson</i>	<i>David A. Wittwer</i>
2012 Base Salary	\$ 1,352,700	\$ 658,500	\$ 611,000	\$ 550,000
2013 Base Salary	\$ 1,352,700	\$ 685,500	\$ 627,500	\$ 568,000
\$ Change in 2013	\$	\$ 27,000	\$ 16,500	\$ 18,000
% Change in 2013		% 4.1%	2.7%	3.3%

The TDS Compensation Committee reviews the base salary and bonus of the executive officers on a combined basis as described below under "Total Cash Compensation."

Bonus

TDS established the 2013 Officer Bonus Program for awarding bonuses to certain officers. This bonus program covered all TDS officers other than the President and CEO of TDS and the Chairman Emeritus of TDS. This program was filed by TDS as Exhibit 10.1 to TDS' Form 8-K dated March 6, 2013. This Form 8-K disclosed that one of the metrics for company performance would be consolidated operating cash flow, also commonly known as "EBITDA". However, as disclosed in TDS' Form 8-K dated March 13, 2014, the Compensation Committee determined to change this metric to adjusted income before income taxes, or "AIBIT". This was done in order to conform the 2013 Officer Bonus Program with TDS guidance, which uses AIBIT as a metric. For bonuses relating to 2013 performance that were paid in 2014, in general, 40% of an officer's target bonus was based on the officer's individual performance and the remaining 60% was based on company performance (utilizing the weightings and metrics described above under "Company Performance"). The maximum amount of the bonus based on either company or individual performance could not exceed 200% of the target bonus related to such performance.

The program provided that the TDS Telecom President and CEO would have the same company and individual performance weightings as the other TDS executive officers, provided that in such case the company performance was to be based on TDS Telecom's performance rather than TDS' consolidated performance. However, the amount of the bonus payable to the TDS Telecom President and CEO was not formulaic and was based on TDS Telecom's bonus plan, TDS Telecom metrics and various other performance measures in the discretion of the TDS President and CEO and the TDS Compensation Committee.

In addition, TDS has established performance guidelines and procedures for awarding bonuses to the President and CEO of TDS. These guidelines and procedures were filed by TDS as Exhibit 10.2 to TDS' Form 8-K dated November 19, 2008, and an amendment to such guidelines and procedures was filed by TDS as Exhibit 10.1 to TDS' Form 8-K dated November 18, 2009. These guidelines and procedures provide that the Compensation Committee in its sole discretion determines whether an annual bonus will be payable to the President and CEO of TDS for a performance year and, if so, the amount of such bonus, and describe factors that may be considered by the Compensation Committee in making such determination, including any factors that the Compensation Committee in the exercise of its 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. The guidelines and procedures provide that the President and CEO will have no right or expectation with respect to any bonus until the Compensation Committee has determined whether a bonus will be paid for a performance year.

The TDS 2013 Officer Bonus Program does not cover the President and CEO of U.S. Cellular, who participates in the U.S. Cellular executive bonus program as described in U.S. Cellular's 2014 proxy statement.

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Summary of Bonus Payments

The following shows information with respect to each named executive officer that received a bonus for 2013 performance (paid in 2014) from TDS, showing the amount of bonus awarded. The bonus for Mr. Meyers for 2013 performance was paid entirely by U.S. Cellular as described in the U.S. Cellular 2014 proxy statement.

As noted above under "Company Performance," the overall percentage achieved by TDS with respect to company performance for 2013 was determined to be 68.2%. Certain amounts below are rounded.

	<i>Formula</i>	<i>LeRoy T. Carlson, Jr.</i>	<i>Douglas D. Shuma</i>	<i>C. Theodore Herbert</i>	<i>Scott H. Williamson</i>	<i>David A. Wittwer</i>	
a	2013 base salary	\$ 1,352,700	\$ 353,900	\$ 518,000	\$ 627,500	\$ 568,000	
b	Target bonus percentage (informal for Mr. Carlson and Mr. Wittwer)		90%	45%	45%	50%	65%
c	Target bonus for 2013	a × b	\$ 1,217,430	\$ 159,255	\$ 233,100	\$ 313,750	\$ 369,200
d	Percentage of 2013 target bonus based on company performance (informal for Mr. Carlson and Mr. Wittwer)		60%	60%	60%	60%	60%
e	Target bonus for company performance	c × d	\$ 730,458	\$ 95,553	\$ 139,860	\$ 188,250	\$ 221,520
f	Calculation of amount reported under "Non-Equity Incentive Plan Compensation" column based on company performance in 2013(1)	e × 68.2%	N/A	\$ 65,200	\$ 95,400	\$ 128,400	N/A
Calculation of amount reported under "Bonus" column:							
g	Amount of discretionary bonus based on individual performance		N/A	\$ 88,900	\$ 131,900	\$ 183,300	N/A
h	Discretionary bonus(1)		\$ 875,000	N/A	N/A	N/A	\$ 464,500
i	Subtotal of amount reported under "Bonus" column	g + h	\$ 875,000	\$ 88,900	\$ 131,900	\$ 183,300	\$ 464,500
Total bonus for 2013 paid in 2014 (sum of amount		f + i					

reported under "Non-Equity Incentive Plan Compensation" column and amount reported under "Bonus" column)	\$	875,000	\$	154,100	\$	227,300	\$	311,700	\$	464,500
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(1)

Unlike the TDS 2013 Officer Bonus Program, which provides that a specified percentage of an officer's bonus will be determined based on company performance measures (as described above) and that the remaining percentage will be discretionary based on individual performance, the bonus guidelines for the President and CEO of TDS (LeRoy T. Carlson, Jr.), do not provide such specificity and provide that the entire amount of the bonus is discretionary. Accordingly, the entire amount of the bonus for LeRoy T. Carlson, Jr. is reported under the "Bonus" column of the Summary Compensation Table. In addition, although the U.S. Cellular and TDS Telecom bonus plans are used as guidelines for the bonus for the President and CEO of each of such subsidiaries, the actual amount of the bonus paid is not formulaic and is based on the bonus plans and metrics of such subsidiaries and various other facts and circumstances. Accordingly, the entire amount of the bonus for David A. Wittwer is reported under the "Bonus" column of the Summary Compensation Table.

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As indicated above, the TDS Compensation Committee approved the following bonuses for the above named executive officers with respect to 2013:

	<i>LeRoy T. Carlson, Jr.</i>	<i>Douglas D. Shuma</i>	<i>C. Theodore Herbert</i>	<i>Scott H. Williamson</i>	<i>David A. Wittwer</i>
2013 Bonus Paid in 2014	\$ 875,000	\$ 154,100	\$ 227,300	\$ 311,700	\$ 464,500
Target Bonus	\$ 1,217,430	\$ 159,255	\$ 233,100	\$ 313,750	\$ 369,200
Percentage of Target Bonus	72%	97%	98%	99%	126%

Mr. Carlson's informal target bonus with respect to the 2013 bonus paid in 2014 was 90% of his 2013 base salary of \$1,352,700, or \$1,217,430. In the Compensation Committee's subjective judgment and based on its analysis and consultation with Compensation Strategies, it believed that Mr. Carlson's cash bonus for 2013 should be \$875,000, or approximately 72% of this target. This reflects the TDS company performance of 68.2% and the Compensation Committee's subjective judgment of the individual performance of Mr. Carlson.

Mr. Shuma's bonus of \$154,100 represents a bonus of approximately 68.2% of his target bonus for company performance and approximately 140% of his target bonus for individual performance. The individual performance percentage was based on the recommendation of the TDS President and CEO, based on his subjective judgment of Mr. Shuma's personal achievements and performance in 2013.

Mr. Herbert's bonus of \$227,300 represents a bonus of approximately 68.2% of his target bonus for company performance and approximately 141% of his target bonus for individual performance. The individual performance percentage was based on the recommendation of the TDS President and CEO, based on his subjective judgment of Mr. Herbert's personal achievements and performance in 2013.

Mr. Williamson's bonus of \$311,700 represents a bonus of approximately 68.2% of his target bonus for company performance and approximately 146% of his target bonus for individual performance. The individual performance percentage was based on the recommendation of the TDS President and CEO, based on his subjective judgment of Mr. Williamson's personal achievements and performance in 2013.

Mr. Wittwer's target bonus with respect to the 2013 bonus paid in 2014 was 65% of his 2013 base salary of \$568,000, or \$369,200. As described above, TDS Telecom's overall company performance for 2013 was 105.4% of target. Mr. Wittwer's bonus of \$464,500 was approximately 126% of his target for 2013. This primarily reflects TDS Telecom's overall company performance for 2013 of 105.4% and the TDS Telecom Chairman's and TDS Compensation Committee's subjective judgment of the TDS Telecom team performance and Mr. Wittwer's personal achievements and performance in 2013.

Kenneth R. Meyers did not receive a bonus from TDS with respect to 2013. His entire bonus with respect to 2013 was paid by U.S. Cellular as described in U.S. Cellular's 2014 proxy statement.

Mary N. Dillon did not become entitled to and did not receive a bonus with respect to 2013 because she resigned prior to the time such bonuses were determined and paid in 2014.

Total Cash Compensation

The following shows information relating to total cash compensation in 2013 for the named executive officers that received a bonus with respect to 2013 from TDS:

	<i>LeRoy T. Carlson, Jr.</i>	<i>Douglas D. Shuma</i>	<i>C. Theodore Herbert</i>	<i>Scott H. Williamson</i>	<i>David A. Wittwer</i>
Base Salary in 2013	\$ 1,352,700	\$ 353,900	\$ 518,000	\$ 627,500	\$ 568,000
2013 Bonus Paid in 2014	\$ 875,000	\$ 154,100	\$ 227,300	\$ 311,700	\$ 464,500
Total Cash Compensation in 2013	\$ 2,227,700	\$ 508,000	\$ 745,300	\$ 939,200	\$ 1,032,500

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Total Cash Compensation per Towers Watson

Survey:

25th percentile	\$ 1,635,000	\$ 355,000	\$ 505,000	\$ 495,000	\$ 885,000
50th percentile	\$ 2,270,000	\$ 435,000	\$ 615,000	\$ 685,000	\$ 1,165,000
75th percentile	\$ 3,150,000	\$ 530,000	\$ 775,000	\$ 785,000	\$ 1,570,000

The amount reported above as Base Salary represents the 2013 base salary. The Compensation Committee, based on its analysis and consultation with Compensation Strategies, believes that total cash compensation paid to TDS executive officers is in line with TDS' peers, but that a greater proportion of the total cash compensation should be paid as bonus and less should be paid as salary compared to peers.

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The basis of the Compensation Committee for the above levels of compensation is as follows:

Mr. Carlson's total cash compensation represents the Compensation Committee's subjective view of the appropriate total cash compensation considering the importance of Mr. Carlson's responsibilities, the performance of TDS and its subsidiaries and Mr. Carlson's performance as President and CEO.

Mr. Shuma's total cash compensation represents the Compensation Committee's subjective view of the appropriate total cash compensation considering his performance at TDS since he was employed by TDS in 2007, the fact that he has served as the chief accounting officer of TDS since his employment by TDS and the fact that he also began serving as the chief financial officer of TDS on July 19, 2013.

Mr. Herbert's total cash compensation represents the Compensation Committee's subjective view of the appropriate total cash compensation considering his many years of service, the importance of Mr. Herbert's responsibilities, his extensive experience with and knowledge of TDS and its subsidiaries and his performance over a long period of time.

Mr. Williamson's total cash compensation represents the Compensation Committee's subjective view of the appropriate total cash compensation considering his many years of service, the importance of Mr. Williamson's responsibilities and his performance over a long period of time.

Mr. Wittwer's total cash compensation represents the Compensation Committee's subjective view of the appropriate total cash compensation considering the compensation of officers at comparable companies with similar responsibilities and the performance of TDS Telecom and Mr. Wittwer.

Long-Term Equity Compensation

The Compensation Committee also determines long-term equity compensation awards for the named executive officers under the TDS 2011 Long-Term Incentive Plan.

Although the Compensation Committee has the discretion to grant various awards, it generally only grants service-based restricted stock units and service-based 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 granted in 2013 vest in full (cliff vesting) on the third anniversary of the grant or on May 10, 2016, subject to continued employment. Options granted in 2013 vest in full (cliff vesting) on the third anniversary following the grant date or on May 10, 2016 and are exercisable until the tenth anniversary of the date of grant, in each case subject to continued employment.

With respect to long-term compensation, the Vice President Human Resources prepares for the Compensation Committee an analysis of long-term compensation paid to similar officers of comparable companies (see "Benchmarking/Market Compensation Data" above). This information is presented to the Compensation Committee, which approves the long-term compensation of the named executive officers in part based on such information. The Compensation Committee also looks at the mix of salary, bonus and long-term incentive compensation, and obtains additional information from its compensation consultant, Compensation Strategies, as discussed above.

Long-term compensation awards for executive officers are based, in part, on company and individual performance, with the 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 executive compensation to increases in shareholder value over the same period. The President and CEO of TDS may recommend to the Compensation Committee long-term compensation in the form of stock option and restricted stock unit grants or otherwise for executive officers other than the President and CEO.

Performance is also a factor in determining the number of shares subject to awards made to the executive officers. A named executive officer receives an award of restricted stock units in the current year based in part on the achievement of certain levels of corporate performance in the immediately preceding year, and an award of options in the current year based in part on the achievement of certain levels of individual performance in the immediately preceding year.

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Executive officers do not become entitled to any options or restricted stock units as a result of the achievement of any corporate or individual performance levels. The award of options and restricted stock units is entirely discretionary and a named executive officer has no right to any options or restricted stock units unless and until they are awarded. Pursuant to SEC rules, awards with respect to 2012 performance granted in 2013 are included in the Summary Compensation Table below as 2013 compensation.

The named executive officers received an award of restricted stock units in 2013, in part, based on the achievement of certain levels of corporate performance in 2012. Column (e), "Stock Awards," of the Summary Compensation Table includes the aggregate grant date fair value 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 is calculated as the product of the number of shares underlying the award and the closing price of the underlying shares on the grant date, reduced by the estimated value of the discounted cash flows of dividends that would normally be received with respect to the underlying shares (because restricted stock units do not receive credit for dividends prior to vesting).

The named executive officers also received an award of options in 2013 based on the achievement of certain levels of individual performance in 2012. Column (f), "Option Awards," of the Summary Compensation Table includes the aggregate grant date fair value computed in accordance with FASB ASC 718. The grant date fair value of stock options is calculated using the Black-Scholes valuation model.

For awards granted in 2013 based on 2012 performance, 50% of the total target long-term incentive value was delivered in stock options and 50% of such value was delivered in restricted stock units.

The total target long-term incentive value is determined by multiplying the officer's salary for the immediately preceding year by a multiple. The multiple is determined by the officer's job responsibilities and the market compensation data from Towers Watson. See "Benchmarking/Market Compensation Data" above. The target value is also adjusted for performance, as indicated in the below table.

The following summarizes the TDS option and restricted stock unit grants made by the Compensation Committee on May 10, 2013 to the following named executive officers (some of the amounts below may be rounded).

	<i>Formula</i>	<i>LeRoy T. Carlson, Jr.</i>	<i>Kenneth R. Meyers</i>	<i>Douglas D. Shuma</i>	<i>C. Theodore Herbert</i>	<i>Scott H. Williamson</i>	<i>David A. Wittwer</i>	
a	2012 Salary	\$1,352,700	\$ 658,500	\$329,000	\$508,000	\$ 611,000	\$ 550,000	
b	Multiple used	245%	240%	88%	88%	165%	210%	
c	Long-Term Incentive Target Value	a × b	\$3,314,115	\$1,580,400	\$289,520	\$447,040	\$1,008,150	\$1,155,000
d	Options Target(1)	(c × 50%) / \$6.42	258,222	123,084	22,548	34,816	78,516	89,953
e	Approx. Individual Performance % for 2012		72%	144%	132%	124%	142%	122%
f	Options Granted	d × e	186,000	177,319	29,814	43,192	111,542	109,791
g	Target RSUs(1)	(c × 50%) / \$21.51	77,037	36,736	6,730	10,391	23,434	26,848
h	Company/Business Unit Performance % for 2012		81.4%	81.4%	81.4%	81.4%	81.4%	79.7%
i	RSUs Granted	g × h	62,719	29,909	5,486	8,460	19,079	21,402

- (1) The values used for stock options and restricted stock units were determined using a binomial methodology. The values calculated for 2013 were \$6.42 per TDS stock option and \$21.51 per TDS restricted stock unit.

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The Company/Business Unit Performance percentage in the above table represents the overall performance of TDS (or in the case of Mr. Wittwer, TDS Telecom). The overall company performance for TDS in 2012 was 81.4% (representing a quantitative company performance of 63% that was adjusted to 81.4% based on a qualitative assessment of performance). The business unit performance for TDS Telecom in 2012 was 79.7%.

The individual performance percentage in the above table is based on each officer's individual performance assessment relating to 2012.

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The individual performance percentage used for the TDS President and CEO was based on the Compensation Committee's subjective judgment of the individual performance of the TDS President and CEO in 2012, based primarily on the weighted quantitative calculation of company performance of 63% for 2012. This percentage was increased to 72% by the Compensation Committee reflecting its subjective judgment of the individual performance of the TDS President and CEO.

The individual performance percentage used for each of the TDS Executive Vice President and CFO, Senior Vice President and Controller, Vice President Human Resources, Senior Vice President Acquisitions and Corporate Development and TDS Telecom President and CEO was based on the Compensation Committee's subjective judgment of the individual performance of such officers, considering the TDS President and CEO's evaluation and recommendation to the Compensation Committee for such officers with respect to 2012.

As a result of his appointment as U.S. Cellular's President and CEO, Kenneth R. Meyers will not participate in the TDS long-term incentive plans going forward. Instead, Mr. Meyers is eligible to participate in the U.S. Cellular long-term incentive plans.

Analysis of Compensation

The following table identifies the percentage of each element of total compensation of each of the named executive officers other than Kenneth R. Meyers and Mary N. Dillon based on the Summary Compensation Table for 2013:

	<i>LeRoy T. Carlson, Jr.</i>	<i>Douglas D. Shuma</i>	<i>C. Theodore Herbert</i>	<i>Scott H. Williamson</i>	<i>David A. Wittwer</i>
Salary	27.3%	39.8%	36.8%	28.4%	24.5%
Bonus	17.6%	10.0%	9.4%	8.3%	20.0%
Stock Awards	27.3%	13.0%	12.7%	18.3%	19.5%
Stock Options	26.3%	23.5%	21.5%	35.4%	33.1%
Non-Equity Incentive Plan Compensation	0%	7.3%	6.8%	5.8%	0%
Other	1.5%	6.4%	12.8%	3.8%	2.9%
	100.0%	100.0%	100.0%	100.0%	100.0%

The compensation for Mary N. Dillon and Kenneth R. Meyers is not included for this analysis because such compensation would not be meaningful due to the transitions involving such persons in 2013.

As indicated in the Summary Compensation Table, LeRoy T. Carlson, Jr.'s total compensation for 2013 was \$4,962,080 and the total compensation for the other named executive officers (excluding Kenneth R. Meyers and Mary N. Dillon), for 2013 ranged from a high of \$2,322,278 to a low of \$889,632.

The following explains the reasons for the disparity between the compensation of the TDS President and CEO and the other named executive officers, and the disparities in compensation among the other named executive officers. As noted herein, TDS' overall compensation objectives are to (i) support TDS' 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 business unit and TDS objectives; and (iv) provide competitive compensation opportunities consistent with the financial performance of TDS.

As noted herein, TDS 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 TDS' overall business strategy and objectives. As noted herein, TDS recognizes that it must compensate its executive officers in a competitive manner comparable to similar companies in order to attract and retain high quality management.

Considering the foregoing, TDS recognizes that it needs to and believes that it should compensate the TDS 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

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executive officers of such companies. TDS believes that this is necessary to attract and retain a highly qualified person to serve as the president and chief executive officer of TDS and to compete successfully against other companies. A level of compensation similar to that paid to the TDS President and CEO is not necessary to attract and retain, and therefore is not appropriate for, the other named executive officers. However, TDS 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 TDS.

The Compensation Committee believes that the elements of compensation and total compensation of the above named executive officers of TDS were set at an appropriate level considering the foregoing principles.

Other Benefits and Plans Available to Named Executive Officers

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

As noted herein, TDS' overall compensation objectives for its executive officers are to (i) support TDS' 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 business unit and TDS objectives; and (iv) provide competitive compensation opportunities consistent with the financial performance of TDS.

To achieve these objectives, the Compensation Committee believes that the named executive officers must be offered a competitive compensation package, including benefits and plans. TDS' compensation packages are designed to compete with other companies for talented employees. TDS' benefits and plans are part of this package and are also designed to enable TDS to attract and retain highly qualified employees, including the named executive officers. Thus, the benefits and plans fit into TDS' overall compensation objectives primarily by helping TDS achieve the second objective of TDS' 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 otherwise significantly affect decisions relating to other elements of annual or long-term compensation, which are provided consistent with the above compensation objectives, including to support TDS' overall business strategy and objectives, link individual compensation with TDS goals and objectives and provide competitive compensation opportunities consistent with the financial performance of TDS, as well as attract and retain high quality management.

Deferred Salary and Bonus under Deferred Compensation Arrangements

Deferred Salary and/or Bonus Arrangements. The named executive officers are permitted to defer salary and/or bonus into an interest-bearing arrangement pursuant to deferred compensation agreements or plans. 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 agreement or 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 thirty-year Treasury Bond rate for amounts deferred as an employee of TDS or TDS Telecom, or the twenty-year Treasury Bond rate for amounts deferred as an employee of U.S. Cellular, 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 any portion of such interest that exceeded that calculated utilizing 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 accounts are paid at the time and in the form provided in the applicable plan or agreement, which permits certain distribution elections by the officer.

As indicated in the below tables, certain of the named executive officers have deferred a specified portion of their salaries or bonuses pursuant to the above-described arrangements. The executive is always 100% vested in all salary or bonus amounts that have been deferred and any interest credited

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with respect thereto. Accordingly, the executive is entitled to 100% of the amount deferred and all earnings thereon upon any termination. Such amounts are reported below 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.

Deferred Bonus under 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 a long-term incentive plan. 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. Deferred bonus is deemed invested, as applicable, in phantom TDS Common Shares under the applicable TDS long-term incentive plan and in phantom USM Common Shares under the applicable U.S. Cellular long-term incentive plan, as discussed below. The named executive officers receive a distribution of the deferred compensation account at the earlier of the date elected by the officer and the officer's separation from service (or, with respect to amounts subject to section 409A of the Internal Revenue Code, the seventh calendar month following the calendar month of the officer's separation from service), provided that amounts deferred for years prior to 2013 by named executive officers employed by U.S. Cellular are distributed at the date elected by the officer (either the officer's separation from service, subject to any six-month delay required by section 409A of the Internal Revenue Code, or a date specified by the officer). The named executive officers who defer bonus into phantom shares also receive a company match from TDS, other than the President and CEO of U.S. Cellular, who participates in and may receive a match from U.S. Cellular under the applicable U.S. Cellular long-term incentive plan, as described in the U.S. Cellular 2014 proxy statement.

Certain named executive officers are parties to executive deferred compensation agreements, pursuant to which they have deferred a specified portion of their bonuses pursuant to the long-term incentive plan. The executive is always 100% vested in all bonus amounts that have been deferred and any dividends credited with respect thereto. Such amounts are reported below 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.

TDS 2011 Long-Term Incentive Plan

Long-term compensation awards under the TDS 2011 Long-Term Incentive Plan were discussed above in this Compensation Discussion and Analysis. Under the TDS 2011 Long-Term Incentive Plan, TDS is authorized to grant incentive stock options, nonqualified stock options, stock appreciation rights ("SARs"), bonus stock awards, restricted stock awards, restricted stock unit awards, performance share awards and employer match awards for deferred bonus. The following provides certain additional information relating to the TDS 2011 Long-Term Incentive Plan.

TDS adopted the TDS 2011 Long-Term Incentive Plan to replace the TDS 2004 Long-Term Incentive Plan for awards granted after January 24, 2012. A total of six million Common Shares were initially reserved for issuance under the TDS 2011 Long-Term Incentive Plan.

Under the TDS 2011 Long-Term Incentive Plan, if they elect, executives are permitted to defer receipt of all or a portion of their annual bonuses earned in 2013 or thereafter and to receive stock unit matches on the amount deferred. Deferred compensation is deemed invested in phantom TDS Common Shares, and the TDS match amounts depend on the amount of annual bonus that was deferred into stock units. Vested stock units are credited with dividend equivalents.

If the officer enters into competition with, or misappropriates confidential information of, TDS or any affiliate thereof, or the officer's employment with TDS or any affiliate thereof is terminated on account of the officer's negligence or willful misconduct, then all awards held by the officer under the TDS 2011 Long-Term Incentive Plan shall terminate and be forfeited. Also see "Clawback" below.

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The TDS 2011 Long-Term Incentive Plan and related stock option, restricted stock unit and deferred bonus agreements provide various rights upon resignation (with prior consent of the TDS 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.

Change in Control

The following summarizes the change in control provisions of the 2011 Long-Term Incentive Plan:

Notwithstanding any other provision in the 2011 Long-Term Incentive Plan or any agreement, in the event of a 2011 LTIP Change in Control (as described below), the board of directors (as constituted prior to the 2011 LTIP Change in Control) may in its discretion, but will not be required to, make such adjustments to outstanding awards under the 2011 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 2011 LTIP Change in Control); (iii) requiring that the shares of stock into which Common Shares are converted pursuant to the 2011 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 Compensation Committee; and/or (iv) requiring outstanding awards, in whole or part, to be surrendered to TDS in exchange for a payment of cash, shares of capital stock of the company resulting from or succeeding to the business of TDS in connection with the 2011 LTIP Change in Control, or the parent thereof, or a combination of cash and shares.

The definition of Change in Control is set forth in Section 8.9(b) of the TDS 2011 Long-Term Incentive Plan. Generally, a "Change in Control" is defined in the Plan as: (i) an acquisition by a person or entity of the then outstanding securities of TDS (the "Outstanding Voting Securities") (x) having sufficient voting power of all classes of capital stock of TDS to elect at least 50% or more of the members of the TDS 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 TDS 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 TDS; or (iv) approval by the shareholders of TDS of a plan of complete liquidation or dissolution of TDS.

The foregoing outlines the potential effect of a 2011 LTIP Change in Control relating to all awards available under the 2011 Long-Term Incentive Plan. However, TDS currently only has outstanding under the 2011 Long-Term Incentive Plan restricted stock units, options and phantom stock units related to deferred compensation accounts.

Because a 2011 LTIP Change in Control would or 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.

A copy of the TDS 2011 Long-Term Incentive Plan was filed with the SEC as Exhibit 10.1 to TDS' Current Report on Form 8-K dated January 13, 2012.

Please also see Proposal 3 above pursuant to which TDS is asking shareholders to approve (i) the authorization of 5 million additional Common Shares for issuance under the 2011 Long-Term Incentive Plan and (ii) the material terms of the performance goals under such plan.

TDS 2004 Long-Term Incentive Plan

Under the TDS 2004 Long-Term Incentive Plan, TDS was previously authorized to grant incentive stock options, nonqualified stock options, SARs, bonus stock awards, restricted stock awards, restricted stock unit awards, performance share awards and employer match awards for deferred bonus. As described above, TDS adopted the TDS 2011 Long-Term Incentive Plan to replace the TDS 2004

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Long-Term Incentive Plan for awards granted after January 24, 2012, the Effective Time of the Reclassification, except as they relate to deferred bonus for calendar years commencing prior to January 1, 2013 for which elections were made prior to such effective time. Deferred bonus for calendar years commencing prior to January 1, 2013 is subject to the TDS 2004 Long-Term Incentive Plan. No additional awards will be granted under the TDS 2004 Long-Term Incentive Plan. Only restricted stock units, options and phantom stock units related to deferred compensation accounts are outstanding under the TDS 2004 Long-Term Incentive Plan.

The TDS 2004 Long-Term Incentive Plan and related stock option, restricted stock unit and deferred bonus agreements provide various rights upon resignation (with prior consent of the TDS 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.

Change in Control

The following summarizes the change in control provisions of the TDS 2004 Long-Term Incentive Plan:

Notwithstanding any other provision of the TDS 2004 Long-Term Incentive Plan or any provision of any agreement, in the event of a 2004 LTIP Change in Control (as described below), (i) any outstanding restricted stock unit awards will become nonforfeitable and, to the extent permissible under section 409A of the Internal Revenue Code, any restriction periods will lapse; (ii) all outstanding options will become immediately exercisable in full and (iii) all amounts deemed to be held in deferred compensation accounts will become nonforfeitable. In the event of a 2004 LTIP Change in Control pursuant to clause (iii) in the next paragraph below, there may be substituted for each Common Share under the TDS 2004 Long-Term Incentive Plan the number and class of shares into which each outstanding Common Share is converted pursuant to such 2004 LTIP Change in Control.

Generally, a "2004 LTIP Change in Control" is defined in the 2004 Long-Term Incentive Plan as: (i) an acquisition by a person or entity of 25% or more of the combined voting power of the then outstanding securities of TDS entitled to vote generally on matters (without regard to the election of directors), subject to certain exceptions; (ii) unapproved changes in a 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 TDS; or (iv) approval by the shareholders of TDS of a plan of complete liquidation or dissolution of TDS.

Because certain termination events and/or a change in control would or 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.

A copy of the 2004 Long-Term Incentive Plan was filed with the SEC as Exhibit 10.1 to TDS' Current Report on Form 8-K dated April 11, 2005, and amendments to TDS' 2004 Long-Term Incentive Plan were filed with the SEC as Exhibits to TDS' Current Reports on Form 8-K dated December 10, 2007 and December 22, 2008.

U.S. Cellular Long-Term Incentive Plans

The U.S. Cellular President and CEO does not participate in the TDS long-term incentive plans. Instead, the U.S. Cellular President and CEO is eligible to participate in the U.S. Cellular long-term incentive plans. Effective May 14, 2013, the U.S. Cellular 2013 Long-Term Incentive Plan replaced the U.S. Cellular 2005 Long-Term Incentive Plan for awards on and after that date, except as they relate to deferred bonus for calendar years commencing prior to January 1, 2014 for which elections were made prior to such effective time. Deferred bonus for calendar years commencing prior to January 1, 2014 is subject to the U.S. Cellular 2005 Long-Term Incentive Plan. The Meyers Letter Agreement specifies the terms of certain equity awards granted to Mr. Meyers under the U.S. Cellular 2013 Long-Term Incentive

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Plan in 2013. See footnote 2 to the Summary Compensation Table. The U.S. Cellular long-term incentive plans are described in U.S. Cellular's 2014 proxy statement.

SERP

Each of the named executive officers participates in a supplemental executive retirement plan or SERP, which is a non-qualified defined contribution plan. The SERP is not intended to provide substantial benefits other than to replace the benefits which cannot be provided under the TDS Pension Plan as a result of tax law limitations on the amount and types of annual employee compensation which can be taken into account under a tax qualified pension plan. The SERP is unfunded. The amount of the SERP contribution with respect to the executives identified in the Summary Compensation Table is included in column (i), "All Other Compensation," of the Summary Compensation Table. Participants are credited with interest on balances of the SERP. Pursuant to SEC rules, column (h) of the Summary Compensation Table includes any portion of interest earned under the SERP calculated utilizing a rate that exceeds the AFR at the time the rate was set.

A participant is entitled to distribution of his or her entire account balance under the SERP if the participant has a separation from service without cause, after either (a) his or her attainment of age 65; or (b) his or her completion of at least ten years of service. If a participant has a separation from service under circumstances other than those set forth in the preceding sentence, without cause, the participant will be entitled to distribution of 10% of his or her account balance for each year of service up to ten years. Upon a separation from service under circumstances that permit payments under the SERP, the participant will be paid his or her vested account balance in one of the following forms as elected by the participant prior to the first day of the first plan year for which the participant commences participation in the SERP: (a) a single lump sum or (b) annual installments over a period of 5, 10, 15, 20 or 25 years. The SERP does not include any provision that would increase benefits or accelerate amounts upon any termination or change in control and, accordingly, no amount is included in the below Table of Potential Payments upon Termination or Change in Control. The balance of the SERP as of December 31, 2013 for each named executive officer is set forth below in the "Nonqualified Deferred Compensation" Table.

Perquisites

TDS does not provide any significant perquisites to its officers. See note (i) under "Explanation of Columns" under the Summary Compensation Table for information about perquisites provided to the named executive officers. In addition, TDS has no formal plan, policy or procedure pursuant to which executive officers are entitled to any perquisites following termination or change in control. However, from time to time, TDS may enter into employment, retirement, severance or similar agreements that may provide for certain limited perquisites. See the description of the Meyers Letter Agreement in Footnote (2) to the Summary Compensation Table. Perquisites and personal benefits represent a relatively insignificant portion of the named executive officers' total compensation. Accordingly, they do not materially influence the Compensation Committee's consideration in setting compensation.

Other Generally Applicable Benefits and Plans

Tax-Deferred Savings Plan

TDS sponsors the Tax-Deferred Savings Plan (TDSP), a tax-qualified defined contribution plan under Sections 401(a) and 401(k) of the Internal Revenue Code. This plan is available to employees of TDS and participating subsidiaries which have adopted the TDSP, including U.S. Cellular. Employees contribute amounts from their compensation, and TDS and participating employers make matching contributions to the plan in cash equal to 100% of an employee's contributions up to the first 3% of such employee's compensation, and 40% of an employee's contributions up to the next 2% of such employee's compensation. Participating employees have the option of investing their contributions and their employer matching contributions in a TDS Common Share fund, a U.S. Cellular Common Share fund and certain unaffiliated funds.

The amount of the matching contribution with respect to the executives identified in the Summary Compensation Table is included in column (i), "All Other Compensation," of the Summary Compensation

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Table. SEC rules do not require the Summary Compensation Table to include earnings or other amounts with respect to tax-qualified defined contribution plans.

Under the TDS Tax-Deferred Savings Plan, employees are always fully vested in their employee contributions, but are subject to a two year graduated vesting schedule (34% vesting at one year of service and 100% vesting at two years of service) for employer matching contributions. Vesting in employer matching contributions is not accelerated upon a change in control or termination event, except a termination by reason of death, total and permanent disability, or after an employee attains age 65. The vested portion of an employee's account becomes payable following the employee's termination of employment as (a) a lump sum or (b) a series of annual or more frequent installments. This plan does not discriminate in scope, terms, or operation in favor of executive officers and is available generally to all employees, and benefits are not enhanced upon any termination (other than a termination by reason of death, total and permanent disability or after an employee attains age 65) or change in control. Accordingly, no amounts are reported in the below Table of Potential Payments upon Termination or Change in Control.

Pension Plan

TDS sponsors a tax-qualified noncontributory defined contribution Pension Plan for the employees of TDS and its participating subsidiaries, including U.S. Cellular. Under this plan, pension costs are calculated separately for each participant based on the applicable pension formula, and are funded annually by TDS and its participating subsidiaries. The Pension Plan is designed to provide retirement benefits for eligible employees of TDS and its participating subsidiaries. The amount of the contribution with respect to the executives identified in the Summary Compensation Table is included in column (i), "All Other Compensation," of the Summary Compensation Table. SEC rules do not require the Summary Compensation Table to include earnings or other amounts with respect to tax-qualified defined contribution plans.

Benefits under the TDS Pension Plan are subject to a five year graduated vesting schedule (20% vesting at two years of service, 40% vesting at three years of service, 60% vesting at four years of service and 100% vesting at five years of service). Vesting is not accelerated upon a change in control or termination event, except a termination of employment due to death, a total and permanent disability or after the employee has attained his or her Early or Normal Retirement Date as defined in the plan. The vested portion of an employee's account becomes payable following the employee's termination of employment as (a) an annuity or (b) a lump sum payment. This plan does not discriminate in scope, terms, or operation in favor of executive officers and is available generally to all employees of participating employers, and benefits are not enhanced upon any termination (except due to death, a total and permanent disability or after the employee has attained his or her Early or Normal Retirement Date) or change in control. Accordingly, no amounts are reported in the below Table of Potential Payments upon Termination or Change in Control.

Retiree Welfare Benefits

TDS sponsors retiree medical and life insurance plans for eligible retirees of TDS and subsidiaries of TDS which have adopted the plans. Eligible retirees are required to pay a portion or, in certain cases, all of the premiums for the insurance coverage, dependent upon the employee's hire date and employer at the time of termination of employment. These plans do not discriminate in scope, terms, or operation in favor of executive officers and are available generally to all employees of participating employers, and benefits are not enhanced upon any termination or change in control. Accordingly, no amounts are reported in the below Table of Potential Payments upon Termination or Change in Control.

Welfare Benefits during Employment

TDS also provides customary health and welfare and similar plans for the benefit of its employees. These group life, health, disability, medical reimbursement and/or similar plans do not discriminate in scope, terms or operation in favor of executive officers and are available generally to all employees, and

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benefits are not enhanced upon any termination or change in control. Accordingly, no amounts are reported in the below Table of Potential Payments upon Termination or Change in Control.

Impact of Accounting and Tax Treatments of Particular Forms of Compensation

The Compensation Committee considers the accounting and tax treatments of particular forms of compensation. Accounting treatments do not significantly impact the Compensation Committee's determinations of the appropriate compensation for TDS executive officers. The Compensation Committee considers the accounting treatments primarily to be informed and to confirm that company personnel understand and recognize the appropriate accounting that will be required with respect to compensation.

The Compensation Committee places more significance on the tax treatments of particular forms of compensation, because these may involve an actual cash expense to the company or the executive.

Subject to certain exceptions, Section 162(m) of the Internal Revenue Code provides a one million dollar annual limit on the amount that a publicly held corporation is allowed to deduct as compensation paid to each of the corporation's principal executive officer ("PEO") and the corporation's three most highly compensated officers, exclusive of the corporation's PEO and principal financial officer. In evaluating whether to structure executive compensation components as performance-based compensation under Section 162(m) and thus, exempt from the one million dollar deduction limit, TDS considers the net cost, and its ability to effectively administer executive compensation to promote corporate goals and in the long-term interest of shareholders. TDS believes that it is important to preserve flexibility in administering compensation programs in a manner designed to promote corporate goals. Accordingly, although TDS considers the deductibility of particular forms of compensation, TDS may approve elements of compensation that are consistent with the objectives of our executive compensation program, but that may not be fully deductible.

TDS generally does not have any arrangements with its executive officers pursuant to which it has agreed to "gross-up" payments due to taxes or to otherwise reimburse officers for the payment of taxes, except with respect to certain perquisites and reimbursements related to Mr. Meyers' retiree medical benefits as noted below.

Clawback

Depending on the facts and circumstances, TDS may seek to adjust or recover awards or payments if the relevant TDS performance measures upon which they are based are restated or otherwise adjusted in a manner that would reduce the size of an award or payment. Under the Dodd-Frank Act, TDS will be required to adopt a formal clawback policy that satisfies SEC and NYSE requirements after the requirements are adopted.

TDS Policy on Stock Ownership

TDS does not have a formal policy relating to stock ownership by executive officers. However, because the President and CEO of TDS and the President and CEO of U.S. Cellular are also directors of TDS, they are subject to the stock ownership guidelines applicable to directors. See "Corporate Governance - Stock Ownership Guidelines" above. In addition, it should be noted that the President and CEO of TDS is a substantial shareholder of TDS. See "Security Ownership of Certain Beneficial Owners and Management" below.

TDS' Policy Regarding Insider Trading and Confidentiality provides that persons subject to such policy may not, under any circumstances, trade options for, pledge, or sell "short," any securities of TDS or U.S. Cellular, and may not enter into any hedging, monetization or margin transactions with respect to any such securities. The Dodd-Frank Act instructs the SEC to adopt rules requiring public companies to include a proxy statement disclosure of their policies regarding hedging of company equity securities by directors or employees. TDS will review such rules after they are finalized to determine if it will make any changes to its policies.

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Compensation Committee Report

The Compensation Committee of the board of directors of TDS oversees TDS' compensation program on behalf of the board of directors. In fulfilling its oversight responsibilities, the Compensation Committee reviewed and discussed with management the Compensation Discussion and Analysis set forth above in this 2014 Proxy Statement.

In reliance on the review and discussions referred to above, the Compensation Committee recommended to the board of directors that the above Compensation Discussion and Analysis be included in TDS' Annual Report on Form 10-K for the fiscal year ended December 31, 2013 and TDS' 2014 Proxy Statement related to the 2014 Annual Meeting.

This Compensation Committee Report is submitted by Christopher D. O'Leary, George W. Off, Gary L. Sugarman and Herbert S. Wander (Chairperson).

Risks from Compensation Policies and Practices

TDS does not believe that risks arising from TDS' compensation policies and practices for its employees, including non-executive officers, are reasonably likely to have a material adverse effect on TDS. The following describes the process undertaken to reach the conclusion, and the basis for the conclusion, that TDS' compensation policies and practices are not reasonably likely to have a material adverse effect on TDS.

With respect to compensation in 2013, representatives of TDS took the steps set forth below to assess the risks associated with TDS' compensation policies and practices. Various elements of compensation (including plans and arrangements) provided to executive officers, non-executive officers and all other employees were identified and cataloged. The potential risks associated with each element of compensation were identified and evaluated for materiality and likelihood. Controls and potential mitigating factors were then identified and evaluated. Based on this process, documentation was prepared which maps and identifies TDS' various compensation elements, describes their characteristics and purposes, identifies potential risks associated with each compensation element, and then describes controls and mitigating factors. This documentation was used to evaluate the potential risks of the various elements of compensation, which are summarized below.

In addition, TDS considered the following processes and matters. TDS has internal controls in place and has processes to identify deficiencies, including significant deficiencies and material weaknesses. These processes have not identified any compensation policies or practices that are reasonably likely to have a material adverse effect on TDS. TDS also has an Enterprise Risk Management process (as described above under Corporate Governance Board Role in Risk Oversight) that has not identified any compensation policies or practices that are reasonably likely to have a material adverse effect on TDS. In addition, in connection with its process to review and identify risks for its Annual Report on Form 10-K, TDS did not identify any compensation policies or practices that are reasonably likely to have a material adverse effect on TDS. Furthermore, TDS has not had any incident in which TDS' compensation policies and practices have resulted in a material adverse effect on TDS. Although TDS' compensation policies and practices have evolved over time, their risk characteristics have not changed in any material respect for several years. TDS does not believe that its compensation policies and practices are unusual in any significant respect and believes that they are comparable in many respects with those of many other commercial public companies. TDS' compensation policies and practices have been developed over time with the assistance of its nationally-recognized compensation consultant, Towers Watson. Such policies and practices also have been reviewed by the Compensation Committee's independent compensation consultant, Compensation Strategies.

TDS believes that its policies and practices of compensating its employees, including non-executive officers, as they relate to risk management practices and risk-taking incentives, involve less risk than its compensation policies and practices relating to executive officers, as discussed in the above Compensation Discussion and Analysis. As discussed therein, TDS does not believe that its compensation policies and practices relating to executive officers are reasonably likely to have a material adverse effect on TDS. To an even greater extent, TDS does not believe that its compensation policies

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and practices relating to its employees, including non-executive officers, are reasonably likely to have a material adverse effect on TDS, for the reasons discussed below.

As a company engaged in Wireless, Wireline, Cable and HMS businesses, TDS faces general business risks similar to many other businesses and certain other risks specific to such businesses (as disclosed in TDS' most recent Annual Report on Form 10-K). Both of TDS' principal business units, U.S. Cellular and TDS Telecom, are primarily telecommunications companies, and TDS does not have any business units that have significantly different risk profiles from TDS' risk profile (such as a business unit involved in finance, securities, investing, speculation or similar activities), or where compensation expense is a dominant percentage of the business unit's revenues or with a risk and reward structure that varies significantly from the overall risk and reward structure of TDS. In general, TDS and both of its principal business units have similar compensation policies and practices.

The general design philosophy of the compensation policies and practices for employees, including non-executive officers, of TDS and its business units is similar to the design philosophy discussed with respect to executive officers in the Compensation Discussion and Analysis above. In addition to such executive officers, the employees whose behavior would be most affected by the incentives established by such policies and practices are the non-executive officers and director-level employees of TDS and each of its principal business units.

Similar to the compensation of executive officers, non-executive officers and director-level employees are compensated using a mix of short and long-term compensation. Each such employee receives a substantial portion of compensation in the form of a fixed salary, which does not encourage any risk taking, and may receive a portion of compensation as long-term incentive compensation, which discourages short-term risk taking.

A portion of the long-term incentive compensation of such employees may include restricted stock units, which retain value even if stock prices decline to some degree. As a result, as long as the stock continues to have some value, such awards will not expire without value and, as a result, do not encourage risk taking to attempt to avoid having awards expire without value, as could occur with stock options. Although such employees may also receive stock options, multi-year vesting and an exercise period that is generally ten years reduce the potential for excessive risk taking and, in any event, options are only one of several elements of compensation.

Although employees, including non-executive officers, may be entitled to an annual bonus that relates to annual company performance, such bonuses are limited and represent only a portion of compensation. Also, such compensation is not designed to compensate non-executive employees for results that might be achieved by taking significant risks because non-executive employees do not have the authority to take significant risks. In addition, TDS and its business units are subject to an authorization policy that requires various levels of approvals for employees to take action depending on the dollar amount involved, and internal controls, procedures and processes to monitor and review such actions. Under such policy, actions that could have a material effect on TDS would need to be approved by the board of directors and/or one or more executive officers of TDS and/or such business units. TDS' compensation policies and practices relating to non-executive employees are not designed to provide incentives to such employees to take action which they have no authority to take. In addition, there is a significant amount of discretion in awarding bonuses as well as other compensation and, as a result, such compensation could be reduced, or not awarded or not increased, if an employee undertook unauthorized risk. Also, depending on the facts and circumstances, TDS may seek to adjust or recover awards or payments if the relevant performance measures upon which they are based are restated or otherwise adjusted in a manner that would reduce the size of an award or payment.

As a result, considering the foregoing, TDS does not believe that its compensation policies and practices for employees, including non-executive officers, provide incentives to such employees to undertake risks that are reasonably likely to have a material adverse effect on TDS.

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Compensation Tables

Summary of Compensation

The following table summarizes the compensation earned by the named executive officers in 2013, 2012 and 2011. Compensation reported under "Stock Awards" and "Option Awards" in the below table represents grant date 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 below Summary Compensation Table depending on the performance of the TDS stock price. With respect to 2013, the amount of compensation realized by each named executive officer can be approximated by (i) deducting from the "Total" in the 2013 Summary Compensation Table the amounts reported in the "Stock Awards" and "Option Awards" columns for such officer, and (ii) adding the values realized in 2013 by such officer from the 2013 Option Exercises and Stock Vested table below. However, other unrealized components of compensation also may be included in the Summary Compensation Table, such as retirement plan contributions that are subject to a vesting schedule.

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2013 Summary Compensation Table

Name and Principal Position(a)	Year (b)	Salary (\$)(c)	Bonus (\$)(d)	Stock Awards (\$)(e)	Option Awards (\$)(f)	Change in Pension Value and Non-Equity Nonqualified Incentive Deferred Compensation			All Other Compensation (\$)(i)	Total (\$)(j)
						Plan Compensation (\$)(g)	Earnings (\$)(h)			
LeRoy T. Carlson, Jr.										
(1)(8)(9)(10) President and CEO of TDS	2013	\$ 1,352,700	\$ 875,000	\$ 1,355,788	\$ 1,302,969	\$ 4,721	\$ 70,902	\$ 4,962,080		
	2012	\$ 1,352,700	\$ 830,000	\$ 1,170,821	\$ 2,083,288	\$ 6,295	\$ 74,947	\$ 5,518,051		
	2011	\$ 1,352,700	\$ 574,900	\$ 1,088,345	\$ 2,206,689	\$ 5,012	\$ 72,908	\$ 5,300,554		
Kenneth R. Meyers										
(2)(8)(9) President and CEO of U.S. Cellular (compensation since 6/22/13)	2013	\$ 438,877	\$ 664,000	\$ 1,786,950	\$ 2,335,511	\$ 3,056	\$ 40,187	\$ 5,268,581		
Kenneth R. Meyers										
(2)(8)(9)(10) Executive Vice President and CFO of TDS (compensation prior to 6/22/13)	2013	\$ 323,030	\$	\$ 668,116	\$ 1,242,157	\$ 7,633	\$ 35,815	\$ 2,276,751		
	2012	\$ 658,500	\$ 391,224	\$ 567,780	\$ 1,468,838	\$ 94,376	\$ 11,284	\$ 3,268,078		
	2011	\$ 658,500	\$ 382,133	\$ 502,429	\$ 1,162,829	\$ 115,567	\$ 7,803	\$ 2,905,159		
Kenneth R. Meyers										
Total	2013	\$ 761,907	\$ 664,000	\$ 2,455,066	\$ 3,577,668	\$ 10,689	\$ 76,002	\$ 7,545,332		
	2012	\$ 658,500	\$ 391,224	\$ 567,780	\$ 1,468,838	\$ 94,376	\$ 11,284	\$ 3,268,078		
	2011	\$ 658,500	\$ 382,133	\$ 502,429	\$ 1,162,829	\$ 115,567	\$ 7,803	\$ 2,905,159		
Douglas D. Shuma										
(4)(8)(9) Senior Vice President and Controller of TDS (chief financial officer)	2013	\$ 353,900	\$ 88,900	\$ 115,868	\$ 208,853	\$ 65,200	\$ 386	\$ 889,632		

of TDS since
7/19/13)

**C. Theodore
Herbert**

(5)(9) 2013 \$ 518,000 \$131,900 \$ 178,680 \$ 302,569 \$ 95,400 \$123,867 \$ 57,293 \$1,407,709

Vice President

Human Resources of
TDS

Scott H. Williamson

(6)(9)(10) 2013 \$ 627,500 \$183,300 \$ 402,960 \$ 781,375 \$128,400 \$ 4,284 \$ 78,729 \$2,206,548

Senior Vice 2012 \$ 611,000 \$277,094 \$ 345,658 \$ 856,212 \$ 67,406 \$ 5,964 \$ 71,511 \$2,234,845

President

Acquisitions and 2011 \$ 611,000 \$243,677 \$ 325,000 \$ 775,219 \$ 80,423 \$ 4,741 \$ 58,310 \$2,098,370

Corporate

Development of
TDS

David A. Wittwer

(7)(9)(10) 2013 \$ 568,000 \$464,500 \$ 452,023 \$ 769,109 \$ 21,538 \$ 47,108 \$2,322,278

President and CEO 2012 \$ 550,000 \$349,000 \$ 466,302 \$ 999,983 \$ 19,386 \$ 47,192 \$2,431,863

of

TDS Telecom 2011 \$ 533,000 \$395,100 \$ 457,301 \$ 859,649 \$ 12,014 \$ 32,953 \$2,290,017

Mary N. Dillon

(3)(8)(9) 2013 \$ 391,123 \$ 1,593,178 \$1,603,099 \$ 10,846 \$ 7,560 \$3,605,806

President and CEO 2012 \$ 788,000 \$690,000 \$1,415,641 \$1,104,035 \$ 5,679 \$ 71,054 \$4,074,409

of U.S.

Cellular until 2011 \$ 752,000 \$650,000 \$1,203,984 \$1,628,123 \$ 1,241 \$324,216 \$4,559,564

6/21/13

Explanation of Columns:

(a)

Pursuant to SEC rules, includes the following "named executive officers": all individuals serving as TDS' principal executive officer or acting in a similar capacity during the last completed fiscal year; all individuals serving as the principal financial officer or acting in a similar capacity during the last completed fiscal year; and the three most highly compensated executive officers other than the foregoing who were serving as executive officers at the end of the last completed fiscal year, including executive officers of subsidiaries; and one additional individual for whom disclosure would have been provided but for the fact that the individual was not serving as an executive officer at the end of the last completed fiscal year. The determination as to which executive officers are most highly compensated is made by reference to total compensation for the last completed fiscal year as set forth in column (j), reduced by any amount in column (h).

(b)

For additional details relating to 2012, see the TDS proxy statement filed with the SEC on Schedule 14A on April 19, 2013. For additional details relating to 2011, see the TDS proxy statement filed with the SEC on Schedule 14A on April 16, 2012.

(c)

Represents the dollar value of base salary (cash and non-cash) earned by the named executive officer during the fiscal year, whether or not paid in such year. Only Kenneth R. Meyers, C. Theodore Herbert and Mary N. Dillon deferred a portion of their 2013 base salaries, all of which salary is included in column (c) whether or not deferred. Because Mr. Meyers' deferral election was made when he was an employee of TDS before his transfer to U.S. Cellular in June 2013, his deferral for 2013 is a part of his deferred interest account with TDS. See "Information Regarding Nonqualified Deferred Compensation" below.

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(d)

Represents the dollar value of bonus (cash and non-cash) earned by the named executive officer during the fiscal year, whether or not paid in such year.

LeRoy T. Carlson, Jr. deferred 15% of his 2012 bonus paid in 2013. Kenneth R. Meyers deferred 30% of his 2012 bonus paid in 2013. C. Theodore Herbert deferred 100% of his 2012 bonus paid in 2013. Mary N. Dillon deferred 50% of her 2012 bonus paid in 2013. In the case of the deferrals by Mr. Carlson and Mr. Meyers, the amount deferred was deemed invested in phantom stock units in TDS Common Shares. The amount deferred by Mr. Herbert was deemed invested in an interest-bearing arrangement. One half of the amount deferred by Ms. Dillon, or 25% of the bonus, was deemed invested in phantom stock units in USM Common Shares, and the other half, or 25% of the bonus, was deemed invested in an interest-bearing arrangement. See "Information Regarding Nonqualified Deferred Compensation" below. The entire amount of bonus, including any amount deferred, is included in the Summary Compensation Table above.

The following is a summary of the amount of bonus for 2012 performance paid in 2013 and the amount deferred for the officers who deferred such bonus:

	<i>LeRoy T. Carlson, Jr.</i>	<i>Kenneth R. Meyers</i>	<i>C. Theodore Herbert</i>	<i>Mary N. Dillon</i>
Total 2012 Bonus Paid in 2013 (see Note (9) below to the above Summary Compensation Table for a reconciliation of bonus amounts)	\$830,000	\$485,600	\$ 241,400	\$690,000
Percentage Deferred	15%	30%	100%	50%
Amount Deferred	\$124,500	\$145,680	\$ 241,400	\$345,000
Deferred to Interest Account	\$	\$	\$ 241,400	\$172,500
Deferred to Phantom Stock	\$124,500	\$145,680	\$	\$172,500
Number of Underlying TDS Shares (USM Shares for Mary N. Dillon)	5,662	6,625		5,477
Company Match see Note (e) below	\$ 31,125	\$ 36,420	\$	\$ 43,125
Number of Underlying TDS Shares (USM Shares for Mary N. Dillon)	1,415	1,656		1,369

The bonus was paid and the related phantom stock awards were granted in March 2013. All of the bonus match awards granted to Mary N. Dillon in 2013 for 1,369 USM Common Shares were forfeited when she resigned effective June 21, 2013.

The foregoing dollar amounts of the Company Match awarded in 2013 are included in column (e), Stock Awards. See note (e) below.

LeRoy T. Carlson, Jr., deferred a portion of his 2013 bonus paid in 2014 into TDS phantom stock. Kenneth R. Meyers deferred a portion of his 2013 bonus paid in 2014 into phantom stock and a portion of such bonus into an interest-bearing arrangement. Although Mr. Meyers' 2013 bonus was paid by U.S. Cellular in 2014, his phantom stock awards in 2014 were in the form of TDS phantom stock because his deferral election was made when he was an employee of TDS before his transfer to U.S. Cellular in June 2013. C. Theodore Herbert deferred 100% of his 2013 bonus paid in 2014 into an interest-bearing arrangement.

(e)

Represents the aggregate grant date fair value computed in accordance with FASB ASC 718, as reflected in the below table of "Grants of Plan-Based Awards." In the case of restricted stock units, in accordance with FASB ASC 718, such value is reduced by the estimated value of the discounted cash flows of dividends that would normally be received with respect to such shares (because restricted stock units do not receive credit for dividends prior to vesting). Assumptions made in the valuation of the stock awards in this column are described in Note 16 Stock-Based Compensation in TDS' financial statements for the year ended December 31, 2013 included in its Form 10-K for the year ended December 31, 2013.

Includes the aggregate grant date fair value computed in accordance with FASB ASC 718 relating to restricted stock units in TDS Common Shares under the TDS 2011 Long-Term Incentive Plan and/or relating to restricted stock units in USM Common Shares under the U.S. Cellular 2005 or 2013 Long-Term Incentive Plan. See "Information Regarding Plan-Based Awards" below for vesting and other information.

Also, as noted in note (d) above, includes the aggregate grant date fair value computed in accordance with FASB ASC 718 relating to phantom stock bonus match units awarded to such officer in 2013 with respect to deferred bonus compensation. Vested TDS phantom stock units are credited with dividend equivalents. U.S. Cellular does not currently pay regular dividends. For information relating to U.S. Cellular, see U.S. Cellular's 2014 proxy statement.

As noted above, LeRoy T. Carlson, Jr. and Kenneth R. Meyers deferred part of their 2012 bonus which was paid in 2013 and received a stock unit match in phantom TDS Common Shares in 2013. In addition, Mary N. Dillon deferred 25% of her 2012 bonus which was paid in 2013 into phantom USM Common Shares and received a stock unit match in phantom USM Common Shares. Column (e) above includes the aggregate grant date fair value computed in accordance with FASB ASC 718 related to such awards in 2013. See "Information Regarding Nonqualified Deferred Compensation" below.

Pursuant to SEC rules and interpretations, column (e) includes the grant date value of stock awards even if the awards were subsequently forfeited. In particular, the 2013 awards to Mary N. Dillon were forfeited following her resignation effective June 21, 2013. Accordingly, the stock awards underlying the grant date value of \$1,593,178 to Ms. Dillon were forfeited and no portion of this amount will be realized as income by her or reported as expense in U.S. Cellular's financial statements.

(f)

Represents the aggregate grant date fair value computed in accordance with FASB ASC 718, as reflected in the below table of "Grants of Plan-Based Awards." The dates on which the options granted in 2013 become exercisable and expire are set forth below under "Grants of Plan-Based Awards." Assumptions made in the valuation of the option awards in this column are described in Note 16 Stock-Based Compensation, in TDS' financial statements for the year ended December 31, 2013 included in its Form 10-K for the year ended December 31, 2013.

Pursuant to SEC rules and interpretations, column (f) includes the grant date value of stock option awards even if the awards were subsequently forfeited. In particular, the 2013 awards to Mary N. Dillon were forfeited following her resignation effective June 21, 2013. Accordingly, the stock option awards underlying the grant date value of \$1,603,099 to Ms. Dillon were forfeited and no portion of this amount will be realized as income by her or reported as expense in U.S. Cellular's financial statements.

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(g) Represents the portion of the bonus that represents non-equity incentive plan compensation pursuant to SEC rules. See the discussion under "Bonus" in the above Compensation Discussion and Analysis and in Note (9) below to the above Summary Compensation Table.

(h) As required by SEC rules, column (h) includes the portion of interest that exceeded the amount calculated utilizing the AFR at the time the interest rate was set. Each of the named executive officers currently participates (or will be eligible to participate following satisfaction of plan requirements) in a supplemental executive retirement plan or SERP. The interest rate under the SERP for 2013 was set as of the last trading date of 2012 at 3.6242% per annum, based on the yield on ten year BBB rated industrial bonds at such time. Such rate exceeded the AFR of 2.89% at such time. Accordingly, pursuant to SEC rules, column (h) of the Summary Compensation Table for 2013 includes the portion of such interest that exceeded that calculated utilizing the AFR at the time the interest rate was set. In addition, column (h) includes interest on any deferred salary or bonus that exceeded that calculated utilizing the AFR, as indicated in the below table. Interest on deferred salary or bonus is compounded monthly, computed at a rate equal to one-twelfth of the sum of the average thirty-year Treasury Bond rate for salary or bonus deferred as an employee of TDS, or the twenty-year Treasury Bond rate for salary or bonus deferred as an employee of U.S. Cellular, plus 1.25 percentage points.

	<i>LeRoy T. Carlson, Jr.</i>	<i>Kenneth R. Meyers</i>	<i>Douglas D. Shuma</i>	<i>C. Theodore Herbert</i>	<i>Scott H. Williamson</i>	<i>David A. Wittwer</i>
Excess Earnings						
SERP	\$ 4,721	\$ 2,259	\$ 386	\$ 5,853	\$ 4,284	\$ 1,502
TDS Deferred Salary and Bonus		5,374		118,014		20,036
Total Excess Earnings	\$ 4,721	\$ 7,633	\$ 386	\$ 123,867	\$ 4,284	\$ 21,538

The Excess Earnings of Mr. Meyers for 2013 related to the SERP have been allocated between TDS and U.S. Cellular in proportion to the number of days that he was employed by each company in 2013. The table immediately above includes only the TDS portion the U.S. Cellular portion is reported in the U.S. Cellular 2014 proxy statement. Also, only the excess interest on Mr. Meyers' TDS deferred salary and bonus is reported in this table the excess interest on his deferred salary and bonus from U.S. Cellular is reported in the U.S. Cellular 2014 proxy statement. The Excess Earnings of Ms. Dillon represent excess interest with respect to her SERP account and deferred salary and bonus, as reported in U.S. Cellular's 2014 proxy statement.

Column (h) does not include any changes in pension values because TDS and U.S. Cellular do not have any defined benefit pension plans (including supplemental defined benefit pension plans). The named executive officers only participate in tax-qualified defined contribution plans and a non-qualified defined contribution plan which, under SEC rules, are not required to be reflected in column (h). Both the TDS Tax-Deferred Savings Plan (TDSP) and the TDS Pension Plan are tax-qualified defined contribution plans and the supplemental executive retirement plan (SERP) is a non-qualified defined contribution plan.

(i)

In 2011, includes a one-time payment of \$250,000 to Mary N. Dillon on the fifteen month anniversary of her date of employment pursuant to the terms of the letter agreement dated May 3, 2010 between U.S. Cellular and Ms. Dillon relating to her employment.

Does not include any discount amount under the TDS dividend reinvestment plans because such discounts are available generally to all security holders of TDS.

Does not include perquisites and other personal benefits, or property, unless the aggregate amount of such compensation is \$10,000 or more. Perquisites do not include expenditures that are used exclusively for business purposes.

Includes the following: (1) if applicable, the total of perquisites and personal benefits if they equal or exceed \$10,000, summarized by type, or specified for any perquisite or personal benefit that exceeds the greater of \$25,000 or 10% of the total amount of perquisites and personal benefits for each officer, in each case, valued on the basis of the aggregate incremental cost of such perquisite or personal benefit to TDS, including any related tax gross up (if the total amount is less than \$10,000, the following indicates "N/A") and (2) contributions by TDS for the benefit of the named executive officer under (a) the TDS Tax-Deferred Savings Plan, which is referred to as the TDSP, (b) the TDS Pension Plan and (c) the TDS supplemental executive retirement plan, which is referred to as the SERP:

	<i>LeRoy T. Carlson, Jr.</i>	<i>Kenneth R. Meyers</i>	<i>Douglas D. Shuma</i>	<i>C. Theodore Herbert</i>	<i>Scott H. Williamson</i>	<i>David A. Wittwer</i>
Perquisites (if \$10,000 or more):						
Corporate automobile allowance and related expenses	\$ 9,610	\$ 6,088	\$ 17,100	\$	\$ 13,241	\$
Travel allowance						6,500
Tax gross up relating to corporate automobile allowance and travel allowance	1,792	1,688	5,857		5,798	3,515
Total Perquisites if \$10,000 or more	\$ 11,402	\$ 7,776	\$ 22,957	\$	\$ 19,039	\$ 10,015
Contributions to Benefit Plans						
TDSP	\$ 9,500	\$ 4,477	\$ 9,690	\$ 7,293	\$ 9,690	\$ 9,500
Pension Plan		5,602	11,889		28,394	14,093
SERP	50,000	17,960	11,989	50,000	21,606	13,500
Total, including perquisites if \$10,000 or more	\$ 70,902	\$ 35,815	\$ 56,525	\$ 57,293	\$ 78,729	\$ 47,108

TDS and its subsidiaries do not provide any significant perquisites to their executive officers. Perquisites are valued based on the incremental cost to TDS. No amount is reported if the executive officer reimburses the cost to TDS. In 2013, perquisites primarily included an automobile allowance and related expenses to certain executive officers, and an allowance for travel, meals and accommodations for an executive officer and his spouse to attend company-sponsored awards banquets. Also, TDS and U.S. Cellular reimbursed the officer's additional taxes related to the automobile allowance and the travel allowance. The perquisites are included above for Mr. Meyers because, when considering his perquisites from U.S. Cellular as disclosed in the U.S. Cellular 2014 proxy statement, the amount was more than \$10,000 for 2013.

TDS and U.S. Cellular purchase tickets to various sporting, civic, cultural, charity and entertainment events. They use these tickets for business development, partnership building, charitable donations and community involvement. If not used for business purposes, they

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may make these tickets available to employees, including the named executive officers, as a form of recognition and reward for their efforts. Because such tickets have already been purchased, we do not believe that there is any aggregate incremental cost to TDS or U.S. Cellular if a named executive officer uses a ticket for personal purposes.

The TDSP and Pension Plan are tax-qualified defined contribution retirement plans that do not discriminate in scope, terms or operation in favor of executive officers and are available generally to all employees of participating employers. TDS and its participating subsidiaries make annual employer contributions to the plans for each participant.

The SERP is a non-qualified defined contribution plan that is available only to board-approved officers. This plan provides supplemental benefits to the TDS Pension Plan to offset the reduction of benefits under the TDS Pension Plan caused by limitations under the Internal Revenue Code for tax qualified pension plans, including the limitation on annual employee compensation which can be considered. TDS and its participating subsidiaries make annual employer contributions for each participant.

The contributions to the TDSP, Pension Plan and SERP with respect to Mr. Meyers are allocated between TDS and U.S. Cellular in proportion to the number of days that he was employed by each company in 2013.

All Other Compensation for Mary N. Dillon represents a contribution to her TDSP account as reported in U.S. Cellular's 2014 proxy statement.

- (j) Represents the dollar value of total compensation for the fiscal year based on the sum of all amounts reported in columns (c) through (i). See the above Compensation Discussion and Analysis for a discussion of the proportions of each of the compensation elements to total compensation.

Footnotes:

- (1) LeRoy T. Carlson, Jr., as President and CEO of TDS, is included in the above table as TDS' principal executive officer. He is also Chairman of U.S. Cellular and TDS Telecom. TDS does not have any employment, severance or similar agreement with LeRoy T. Carlson, Jr. Mr. Carlson is the son of Chairman Emeritus, LeRoy T. Carlson, and the brother of non-executive Chairman of the Board and director, Walter C.D. Carlson, director, Letitia G. Carlson, M.D., and director, Prudence E. Carlson.
- (2) Until June 21, 2013, Kenneth R. Meyers was compensated by TDS as the Executive Vice President and CFO of TDS and, accordingly, his compensation during such time is included in the above table. In addition, effective June 22, 2013, Mr. Meyers was appointed President and CEO of U.S. Cellular. In such capacity, he is deemed to be an executive officer of TDS under SEC rules. On and after June 22, 2013, Mr. Meyers' compensation is paid by U.S. Cellular, which is a public company and an SEC registrant. On July 25, 2013, U.S. Cellular and Mr. Meyers entered into a letter agreement related to Mr. Meyers' employment as U.S. Cellular's President and CEO effective June 22, 2013 (the "Meyers Letter Agreement"). A copy of the Meyers Letter Agreement was attached as Exhibit 10.1 to U.S. Cellular's Current Report on Form 8-K dated July 25,

2013. The following is a brief description of the terms provided in the Meyers Letter Agreement.

- (i) Base Salary: Effective June 22, 2013, Mr. Meyers' base salary for 2013 will be \$830,000 per year.
- (ii) Annual Bonus: Mr. Meyers' target bonus opportunity for 2013 will be \$664,000 (80% of his new base salary of \$830,000), and be based on U.S. Cellular's 2013 Officer Annual Incentive Plan.
- (iii) Initial Equity Awards: The Meyers Letter Agreement provides that the U.S. Cellular Chairman will recommend the grant of (and pursuant to such recommendation, the U.S. Cellular Long-Term Incentive Compensation Committee granted) to Mr. Meyers the following awards: (i) a non-qualified option to purchase 125,000 USM Common Shares, with an exercise price per share equal to the fair market value of a USM Common Share on the date of grant and (ii) a restricted stock unit award with respect to 45,000 USM Common Shares. Each such award will cliff vest on June 22, 2019 (the sixth anniversary of the date Mr. Meyers commenced service as U.S. Cellular's President and CEO), provided that he remains employed by the company through such date. He will be eligible to exercise such option following his retirement through the earlier of (i) the third anniversary of his retirement date and (ii) the tenth anniversary of the date the option was granted, provided that he terminates without cause, performs reasonably requested consulting services and does not compete with the company or misappropriate the company's confidential information (collectively, the "Equity Conditions").
- (iv) Annual Equity Awards: The Meyers Letter Agreement provides that the U.S. Cellular Chairman will recommend that the U.S. Cellular Long-Term Incentive Compensation Committee approve (and pursuant to such recommendation, the U.S. Cellular Long-Term Incentive Compensation Committee approved) the following terms with respect to annual equity awards granted to Mr. Meyers on or before June 22, 2019 (the "Pre-June 22, 2019 Annual Awards"). Provided that Mr. Meyers remains employed by U.S. Cellular through June 22, 2019 and satisfies the Equity Conditions, following his retirement any Pre-June 22, 2019 Annual Awards will continue to vest in accordance with their original vesting schedules through the third anniversary of his retirement (subject to accelerated vesting to the extent provided in the standard form of award agreement maintained by U.S. Cellular at the time of grant). In addition, provided that he remains employed by the company through June 22, 2019 and satisfies the Equity Conditions, he will be eligible to exercise options granted to him on or before June 22, 2019, to the extent vested, through the earlier of (i) the third anniversary of his retirement date and (ii) the tenth anniversary of the date the option was granted.
- (v) Retiree Medical and Life Insurance Benefits: Because the transfer of Mr. Meyers' employment from TDS to U.S. Cellular caused him to be ineligible for certain retiree medical and life insurance benefits that may have been available to him had he retired from TDS, U.S. Cellular agreed to make certain cash reimbursements or payments to Mr. Meyers following his retirement from U.S. Cellular pursuant to the terms and conditions specified in the Meyers Letter Agreement. The reimbursements related to retiree medical benefits will include a gross-up for additional taxes payable by Mr. Meyers as a result of such reimbursements.
- (vi) Severance: The Meyers Letter Agreement provides that, in the event that U.S. Cellular terminates Mr. Meyers' employment involuntarily without cause prior to June 22, 2019, U.S. Cellular shall pay

him a severance amount equal to his then current annual base salary.

Further information about Mr. Meyers' compensation is included in the U.S. Cellular 2014 proxy statement.

(3)

Prior to her resignation on June 21, 2013, Mary N. Dillon was deemed to be an executive officer of TDS under SEC rules in her capacity as the President and CEO of U.S. Cellular, a principal subsidiary of TDS. All of Ms. Dillon's compensation was paid by U.S. Cellular, which is a public company and an SEC registrant. U.S. Cellular had an agreement with Mary N. Dillon dated May 3, 2010

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related to her employment with U.S. Cellular on June 1, 2010, most of which was no longer executory at the time of Ms. Dillon's resignation, and which ceased to be operative in its entirety at that time. Further information about Ms. Dillon's compensation is included in the 2014 proxy statement of U.S. Cellular.

(4)

Douglas D. Shuma, Senior Vice President and Controller of TDS, is included in the above table because he is TDS' principal financial officer. TDS does not have any employment, severance or similar agreement with Douglas D. Shuma. Compensation for Mr. Shuma is not reported for 2012 or 2011 because he was not a named executive officer prior to 2013.

(5)

C. Theodore Herbert, Vice President Human Resources of TDS, is one of the three most highly compensated executive officers other than the principal executive officer or principal financial officer of TDS who was serving as an executive officer at the end of the last completed fiscal year, including executive officers of subsidiaries. TDS does not have any employment, severance or similar agreement with C. Theodore Herbert. Compensation for Mr. Herbert is not reported for 2012 or 2011 because he was not a named executive officer prior to 2013.

(6)

Scott H. Williamson, Senior Vice President Acquisitions and Corporate Development of TDS, is one of the three most highly compensated executive officers other than the principal executive officer or principal financial officer of TDS who was serving as an executive officer at the end of the last completed fiscal year, including executive officers of subsidiaries. TDS does not have any employment, severance or similar agreement with Scott H. Williamson.

(7)

David A. Wittwer, President and CEO of TDS Telecom, is one of the three most highly compensated executive officers other than the principal executive officer or principal financial officer of TDS who was serving as an executive officer at the end of the last completed fiscal year, including executive officers of subsidiaries. TDS does not have any employment, severance or similar agreement with David A. Wittwer.

(8)

Mary N. Dillon was deemed to be an executive officer of TDS because she was an executive officer and director of U.S. Cellular, TDS' principle business unit, until June 21, 2013. Mary N. Dillon received all of her compensation from U.S. Cellular. Each of LeRoy T. Carlson, Jr. and Kenneth R. Meyers is also an executive officer and director of U.S. Cellular, and Douglas D. Shuma is also an executive officer of U.S. Cellular. Mr. Carlson, Chairman of U.S. Cellular, and Douglas D. Shuma, Chief Accounting Officer of U.S. Cellular, did not receive any compensation from U.S. Cellular in 2013. Prior to June 22, 2013, Mr. Meyers was Vice President and Assistant Treasurer of U.S. Cellular. Effective June 22, 2013, Mr. Meyers was appointed President and CEO of U.S. Cellular. Prior to that date, he received his compensation from TDS as the Executive Vice President and CFO of TDS and did not receive any compensation directly from U.S. Cellular. After that date, Mr. Meyers received compensation directly from U.S. Cellular. Although they were also officers of U.S. Cellular in 2013, LeRoy T. Carlson, Jr. and Douglas D. Shuma, and, until June 22, 2013, Kenneth R. Meyers, were compensated by TDS in connection with their services for TDS and TDS subsidiaries, including U.S. Cellular. A portion of their compensation expense incurred by TDS is allocated to U.S. Cellular by TDS, along with the allocation of other compensation expense and other expenses of TDS. This allocation by TDS to U.S. Cellular is done in the form of a single management fee pursuant to an Intercompany Agreement between TDS and U.S. Cellular. There is no identification or quantification of the compensation of such persons to U.S. Cellular, or of any other allocated expense in this management fee. The

management fee is recorded as a single expense by U.S. Cellular, U.S. Cellular does not obtain details of the components that make up this fee and does not segregate this fee or allocate any part of the management fee to other accounts such as compensation expense. All of the compensation of LeRoy T. Carlson, Jr. and Douglas D. Shuma in 2013, and of Kenneth R. Meyers until June 22, 2013, was approved by the TDS Compensation Committee and none of it was subject to approval by any U.S. Cellular directors or officers. Accordingly, all of such compensation expense incurred by TDS is reported in the above table by TDS and is not reported by U.S. Cellular. U.S. Cellular discloses the amount of the management fee that it pays to TDS in its proxy statement together with a description of the Intercompany Agreement.

(9)

The following summarizes the bonus amounts in the 2013 row in the Summary Compensation Table for the named executive officers that were paid a bonus by TDS in 2014 for 2013 performance:

	<i>LeRoy T. Carlson, Jr.</i>	<i>Douglas D. Shuma</i>	<i>C. Theodore Herbert</i>	<i>Scott H. Williamson</i>	<i>David A. Wittwer</i>
Bonus paid in 2014 for 2013 Performance	\$875,000	\$154,100	\$227,300	\$311,700	\$464,500
Less amount reported as Non-Equity Incentive Plan Compensation		65,200	95,400	128,400	
Total Amount reported as Bonus for 2013	\$875,000	\$88,900	\$131,900	\$183,300	\$464,500

Mr. Meyers' entire bonus paid in 2014 for 2013 performance was paid by U.S. Cellular as more fully described in the U.S. Cellular 2014 proxy statement. Mr. Meyers did not receive a bonus for 2013 performance from TDS.

The following summarizes the bonus amounts in the 2012 row in the Summary Compensation Table for the named executive officers that were paid a bonus in 2013 for 2012 performance:

	<i>LeRoy T. Carlson, Jr.</i>	<i>Kenneth R. Meyers</i>	<i>Scott H. Williamson</i>	<i>David A. Wittwer</i>
Bonus paid in 2013 for 2012 Performance	\$830,000	\$485,600	\$344,500	\$349,000
Less amount reported as Non-Equity Incentive Plan Compensation		(94,376)	(67,406)	
Total Amount reported as Bonus for 2012	\$830,000	\$391,224	\$277,094	\$349,000

The following summarizes the bonus amounts in the 2011 row in the Summary Compensation Table for the named executive officers that were paid a bonus in 2012 for 2011 performance:

	<i>LeRoy T. Carlson, Jr.</i>	<i>Kenneth R. Meyers</i>	<i>Scott H. Williamson</i>	<i>David A. Wittwer</i>
Bonus paid in 2012 for 2011 Performance	\$574,900	\$ 497,700	\$ 324,100	\$395,100
Less amount reported as Non-Equity Incentive Plan Compensation		(115,567)	(80,423)	
Total Amount reported as Bonus for 2011	\$574,900	\$ 382,133	\$ 243,677	\$395,100

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Unlike the bonus program for other executive officers, which provides that a specified percentage of an officer's bonus will be determined based on company performance and on individual performance, the bonus guidelines for the President and CEO of TDS (LeRoy T. Carlson, Jr.), do not provide such specificity and provide that the entire amount of the bonus is discretionary. Accordingly, the entire amount of the bonus for LeRoy T. Carlson, Jr. is reported under the "Bonus" column of the Summary Compensation Table. This approach is also used for the bonuses paid to David A. Wittwer.

For similar reasons, the entire amount of the bonus for Mary N. Dillon for years prior to 2013 was reported under the "Bonus" column of the Summary Compensation Table, as described in U.S. Cellular's 2014 proxy statement.

- (10) The information reported in the above Summary Compensation Table and in the following tables for 2013 and as of December 31, 2013 reflects the adjustment for the Reclassification of equity awards outstanding on the January 24, 2012 date of the Reclassification, as described above and in TDS' proxy statement dated April 16, 2012 as filed with the SEC on Schedule 14A on such date.

Table of Contents**Information Regarding Plan-Based Awards**

The following table shows, as to the executive officers who are named in the Summary Compensation Table, certain information regarding plan-based awards in 2013.

2013 Grants of Plan-Based Awards

<i>Name</i> <i>(a)</i>	<i>Grant</i> <i>Date</i> <i>(b)</i>	<i>Estimated Possible Payouts</i> <i>Under Non-Equity</i> <i>Incentive Plan Awards</i>			<i>Maximum</i> <i>(e)</i>	<i>All</i> <i>Other</i> <i>Stock</i> <i>Awards:</i> <i>Number</i> <i>of</i> <i>Shares</i> <i>of</i> <i>Stock or</i> <i>Units</i> <i>(#)</i> <i>(i)</i>	<i>All Other</i> <i>Option</i> <i>Awards:</i> <i>Number</i> <i>of</i> <i>Options</i> <i>(#)</i> <i>(j)</i>	<i>Exercise</i> <i>or</i> <i>Base</i> <i>Price of</i> <i>Option</i> <i>Awards</i> <i>(\$/Sh)</i> <i>(k)</i>	<i>Grant Date</i> <i>Fair Value</i> <i>of Stock</i> <i>and Option</i> <i>Awards</i> <i>(l)</i>
		<i>Threshold</i> <i>(c)</i>	<i>Target</i> <i>(d)</i>						
LeRoy T. Carlson, Jr.									
Awards in TDS Shares(2)									
TDS Restricted Stock Units	5/10/13				62,719				\$ 1,324,663
TDS Phantom Stock Match Units for 2012 Bonus paid in 2013(4)	3/15/13				1,415				\$ 31,125
Total Grant Date Value of Stock Awards					64,134				\$ 1,355,788
TDS Options	5/10/13					186,000	\$ 22.60		\$ 1,302,969
Total Grant Date Value of All Awards									\$ 2,658,757

Kenneth R. Meyers

TDS:

Awards in TDS Shares(2)									
TDS Restricted Stock Units	5/10/13				29,909				\$ 631,696
TDS Phantom Stock Match Units for 2012 Bonus paid in 2013(4)	3/15/13				1,656				\$ 36,420

Total Grant Date Value of				
TDS Stock Awards		31,565		\$ 668,116
TDS Options	5/10/13		177,319 \$ 22.60	\$ 1,242,157

Total Grant Date Value of				
All TDS Awards				\$ 1,910,279

U.S. Cellular:

Awards in USM Common				
Shares(3)				
USM Initial CEO Restricted				
Stock Units	7/31/13	45,000		\$ 1,786,950
USM Initial CEO Options	7/31/13		125,000 \$ 39.71	\$ 2,335,511

Total Grant Date Value of				
All USM Awards				\$ 4,122,461

Total Grant Date Value of				
All Awards (TDS and				\$ 6,032,740
USM)				

Douglas D. Shuma

Non-Equity Incentive Plan				
Awards(1)	N/A	\$ 9,555	\$ 95,553	\$ 191,106
Awards in TDS Shares(2)				
TDS Restricted Stock Units	5/10/13	5,486		\$ 115,868
TDS Options	5/10/13		29,814 \$ 22.60	\$ 208,853

Total Grant Date Value of				
All Awards				\$ 324,721

C. Theodore Herbert

Non-Equity Incentive Plan				
Awards(1)	N/A	\$ 13,986	\$ 139,860	\$ 279,720
Awards in TDS Shares(2)				
TDS Restricted Stock Units	5/10/13	8,460		\$ 178,680
TDS Options	5/10/13		43,192 \$ 22.60	\$ 302,569

Total Grant Date Value of All Awards	\$ 481,249
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Scott H. Williamson

Non-Equity Incentive Plan Awards(1)	N/A	\$ 18,825	\$ 188,250	\$ 376,500
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Awards in TDS Shares(2)

TDS Restricted Stock Units	5/10/13		19,079	\$ 402,960
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TDS Options	5/10/13		111,542	\$ 22.60	\$ 781,375
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Total Grant Date Value of All Awards	\$ 1,184,335
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<i>Name</i> <i>(a)</i>	<i>Grant</i> <i>Date</i> <i>(b)</i>	<i>Threshold</i> <i>(c)</i>	<i>Estimated</i> <i>Possible Payouts</i> <i>Under</i> <i>Non-Equity</i> <i>Incentive Plan</i> <i>Awards</i> <i>(d)</i>	<i>Maximum</i> <i>(e)</i>	<i>All</i> <i>Other</i> <i>Stock</i> <i>Awards:</i> <i>Number</i> <i>of</i> <i>Shares</i> <i>of</i> <i>Stock or</i> <i>Units</i> <i>(#)</i> <i>(i)</i>	<i>All Other</i> <i>Option</i> <i>Awards:</i> <i>Number</i> <i>of</i> <i>Securities</i> <i>Underlying</i> <i>Options</i> <i>(#)</i> <i>(j)</i>	<i>Exercise</i> <i>or</i> <i>Base</i> <i>Price of</i> <i>Option</i> <i>Awards</i> <i>(\$/Sh)</i> <i>(k)</i>	<i>Grant Date</i> <i>Fair Value</i> <i>of Stock</i> <i>and Option</i> <i>Awards</i> <i>(l)</i>
David A. Wittwer								
Awards in TDS Shares(2)								
TDS Restricted Stock Units	5/10/13				21,402			\$ 452,023
TDS Options	5/10/13					109,791	\$ 22.60	\$ 769,109
Total Grant Date Value of All Awards								\$1,221,132
Mary N. Dillon								
Awards in USM Common Shares(3)								
USM Restricted Stock Units	4/1/13				49,729			\$1,550,053
USM Phantom Stock Match Units for 2012 Bonus paid in 2013(4)	3/14/13				1,369			\$ 43,125
Total Grant Date Value of Stock Awards								\$1,593,178
USM Options	4/1/13					150,750	\$ 31.17	\$1,603,099
Total Grant Date Value of All Awards								\$3,196,277

Explanation of Columns:

(a) Includes the persons identified in the Summary Compensation Table.

- (b) Represents the date on which the TDS Compensation Committee, or in the case of U.S. Cellular awards, the date on which the U.S. Cellular Long-Term Incentive Compensation Committee, took action or was deemed to take action to grant the equity-based awards.
- (c)-(e) These columns relate to non-equity incentive plan awards, as defined by SEC rules. See Note (1) below.
- (f)-(h) These columns as set forth in Item 402(d) of Regulation S-K relating to equity incentive plan awards are not applicable because the named executive officers did not receive any equity incentive plan awards, as defined by SEC rules. Accordingly, such columns are not included above.
- (i) With respect to TDS awards, includes the number of TDS Common Shares underlying restricted stock units awarded pursuant to the TDS 2011 Long-Term Incentive Plan. The TDS restricted stock units will become vested on the third anniversary of the grant date, or on May 10, 2016. With respect to U.S. Cellular awards, includes the number of USM Common Shares underlying restricted stock units granted pursuant to the U.S. Cellular 2005 Long-Term Incentive Plan (in the case of Ms. Dillon) or the U.S. Cellular 2013 Long-Term Incentive Plan (in the case of Mr. Meyers). With respect to Ms. Dillon, the U.S. Cellular award was forfeited following her resignation effective June 21, 2013. With respect to Mr. Meyers, includes awards granted to Mr. Meyers pursuant to the Meyers Letter Agreement. See footnote (2) to the Summary Compensation Table for information about the Meyers Letter Agreement, including the vesting terms of such awards.

Under the TDS 2004 Long-Term Incentive Plan, executives (other than the U.S. Cellular President and CEO) were permitted to elect to defer receipt of all or a portion of their annual bonuses and to receive stock unit matches on the amount deferred. Deferred compensation was deemed invested in phantom TDS Common Shares. Participants received (i) a 25% stock unit match for amounts deferred up to 50% of their total annual bonus and (ii) a 33% stock unit match for amounts deferred that exceeded 50% of their total annual bonus. The match stock units vest ratably at a rate of one-third per year over three years. The value of phantom stock bonus match units with respect to such officer is included in column (e), "Stock Awards," of the above Summary Compensation Table. After vesting, the match stock units are credited with dividend equivalents. The U.S. Cellular President and CEO may elect to defer bonus into phantom USM Common Shares under the U.S. Cellular long-term incentive plans. U.S. Cellular does not currently pay regular dividends. For information relating to similar provisions under the U.S. Cellular long-term incentive plans, see U.S. Cellular's proxy statement.

- (j) Except with respect to the U.S. Cellular President and CEO, represents the number of TDS Common Shares underlying options awarded during the year pursuant to the TDS 2011 Long-Term Incentive Plan. The TDS options were granted on May 10, 2013 at an exercise price of \$22.60 per share, which was the closing price of a TDS Common Share on May 10, 2013. The TDS options become exercisable on the third anniversary of the grant date, or on May 10, 2016, and are exercisable until May 10, 2023.

In the case of Ms. Dillon, represents the number of USM Common Shares underlying options awarded during 2013 pursuant to the U.S. Cellular 2005 Long-Term Incentive Plan. The USM options were granted on April 1, 2013 at an exercise price of \$36.64 per share, which was the closing price of a USM Common Share on April 1, 2013. These options were later forfeited as indicated below.

In the case of Mr. Meyers, includes USM Common Shares underlying options awarded during 2013 under the U.S. Cellular 2013 Long-Term Incentive Plan pursuant to the Meyers Letter Agreement. See footnote (2) to the Summary Compensation Table for information about the Meyers Letter Agreement, including the vesting terms of such awards.

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- (k) Represents the per-share exercise price of the options granted in column (j). Such exercise price is not less than the closing market price of the underlying security on the date of the grant.
- (l) Represents the aggregate grant date fair value computed in accordance with FASB ASC 718. In the case of the restricted stock units, such value is reduced by the estimated value of the discounted cash flows of dividends that would normally be received with respect to the underlying shares (because restricted stock units do not receive credit for dividends prior to vesting).

Pursuant to SEC rules and interpretations, this table includes the grant date value of stock awards and options even if the awards were subsequently forfeited. In particular, the 2013 awards to Mary N. Dillon were forfeited following her resignation effective June 21, 2013. Accordingly, the 2013 stock awards underlying the grant date value of \$1,593,178 to Ms. Dillon and the 2013 stock option awards underlying the grant date value of \$1,603,099 to Ms. Dillon were forfeited and no portion of these amounts will be realized as income by Ms. Dillon or reported as expense in U.S. Cellular's financial statements.

Footnotes:

- (1) Represents amounts payable under the 2013 Officer Bonus Program. The bonus guidelines for the President and CEO of TDS do not formally provide for a Threshold, Target or Maximum bonus based on specified performance measures. In addition, the bonus payable to the TDS Telecom President and CEO was not formulaic and was based upon TDS Telecom's bonus plan, TDS Telecom metrics and various other performance measures in the discretion of the TDS President and CEO and the TDS Compensation Committee. Accordingly, no portion of the bonus payable to such officers is considered non-equity incentive plan compensation. The above amounts for the other officers relate to the bonus with respect to 2013 performance that was paid in 2014 that was calculated based on company performance. The Threshold amount represents the minimum bonus for company performance that would have been paid for 2013 if only the adjusted consolidated capital expenditures measure (with a weight of 25%) equaled or exceeded the minimum threshold goal for such measure in 2013 (in which case the prorated payout of the target with respect to such measure would be 40%, which is the minimum payout level). Thus, the Threshold amount is 10% (calculated as 25% × 40%) of the Target amount. The Target amount represents the bonus for company performance that would have been paid for 2013 if the target was achieved for each company performance measure in 2013 by TDS. The Maximum amount represents the maximum bonus for company performance that would have been paid for 2013 if each company performance measure for 2013 equaled or exceeded 200% of its target in 2013. The following shows the calculation of the actual amount of non-equity incentive plan compensation in 2013 for the subject TDS named executive officers for reference for comparison to the Target and Maximum above. Certain amounts below are rounded.

		<i>Douglas D. Shuma</i>	<i>C. Theodore Herbert</i>	<i>Scott H. Williamson</i>
a	2013 base salary	\$ 353,900	\$ 518,000	\$ 627,500
b	2013 target bonus percentage	45%	45%	50%
c	Target bonus for 2013	a × b \$ 159,255	\$ 233,100	\$ 313,750
d	Percentage of 2013 target bonus based on company performance	60%	60%	60%

e	Target bonus for company performance	c × d	\$ 95,553	\$ 139,860	\$ 188,250
f	Amount of threshold bonus for company performance	e × 10%	\$ 9,555	\$ 13,986	\$ 18,825
g	Amount of maximum bonus for company performance	e × 200%	\$ 191,106	\$ 279,720	\$ 376,500
h	Calculation of amount reported under "Non-Equity Incentive Plan Compensation" column based on company performance in 2013	e × 68.2%	\$ 65,200	\$ 95,400	\$ 128,400

- (2) Pursuant to the TDS 2011 Long-Term Incentive Plan, on the date specified, the TDS Compensation Committee granted such executive officer restricted stock units to be settled in TDS Common Shares and options to purchase TDS Common Shares. The aggregate grant date fair value computed in accordance with FASB ASC 718 of the stock awards is reported in the Summary Compensation Table in column (e) and the aggregate grant date fair value computed in accordance with FASB ASC 718 of the option awards is reported in the Summary Compensation Table in column (f). Dividends are not earned with respect to shares underlying restricted stock units until the award becomes vested and the shares are issued or on shares underlying options until such options are exercised and the shares are issued.

Pursuant to the TDS 2004 Long-Term Incentive Plan, on the date specified, executives who deferred all or a portion of their 2012 bonuses under the bonus deferral and employer match program received phantom stock match units. The aggregate grant date fair value computed in accordance with FASB ASC 718 of the phantom stock match units is reported in the Summary Compensation Table under "Stock Awards" in column (e).

- (3) Pursuant to the U.S. Cellular 2005 Long-Term Incentive Plan (in the case of Ms. Dillon) or the U.S. Cellular 2013 Long-Term Incentive Plan (in the case of Mr. Meyers), on the date specified, the U.S. Cellular Long-Term Incentive Compensation Committee granted restricted stock units to be settled in USM Common Shares and options to purchase USM Common Shares. The aggregate grant date fair value computed in accordance with FASB ASC 718 of the stock awards is reported in the Summary Compensation Table in column (e) and the aggregate grant date fair value computed in accordance with FASB ASC 718 of the option awards is reported in the Summary Compensation Table in column (f). U.S. Cellular does not currently pay regular dividends. The information provided above with respect to the awards to Ms. Dillon reflects anti-dilution adjustments to such awards made under the U.S. Cellular 2005 long-term incentive plan and applicable award agreements as a result of a special cash dividend by U.S. Cellular in 2013. As disclosed above, the awards to Mary N. Dillon were later forfeited.
- (4) Represents the number of phantom stock units in TDS Common Shares (or USM Common Shares for Ms. Dillon) awarded to such officer with respect to the company match related to deferred bonus compensation. The aggregate grant date fair value computed in accordance with FASB ASC 718 of the match stock units is reported in the Summary Compensation Table in column (e) under "Stock Awards." See the "Nonqualified Deferred Compensation" table below for information regarding bonus phantom stock and dividend equivalents credited to the named executive officers. As disclosed above, the award to

Ms. Dillon was later forfeited.

Table of Contents**Information Regarding Outstanding Equity Awards at Year End**

The following table shows, as to the executive officers who are named in the Summary Compensation Table, certain information regarding outstanding equity awards at year end. The information reported below reflects adjustments for the Reclassification to outstanding equity awards on January 24, 2012. The adjustments made to outstanding equity awards in connection with the Reclassification were described in TDS' proxy statement dated April 16, 2012 as filed with the SEC on Schedule 14A on such date.

2013 Outstanding Equity Awards at Fiscal Year-End

<i>Name</i>	<i>Option Awards</i>					<i>Stock Awards</i>			
	<i>Number of Securities Underlying Unexercised Options: Exercisable</i>	<i>Number of Securities Underlying Unexercised Options: Unexercisable</i>	<i>Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options</i>	<i>Option Exercise Price</i>	<i>Option Expiration Date</i>	<i>Number of Shares or Units of Stock That Have Not Vested</i>	<i>Market Value of Shares or Units of Stock That Have Not Vested</i>	<i>Equity Incentive Plan Awards: Number of Shares or Units of Other Rights That Have Not Vested</i>	<i>Market Payout Value of Other Rights That Have Not Vested</i>
<i>(a)</i>	<i>(b)</i>	<i>(c)</i>	<i>(d)</i>	<i>(e)</i>	<i>(f)</i>	<i>(g)</i>	<i>(h)</i>	<i>(i)</i>	<i>(j)</i>
LeRoy T. Carlson, Jr.(1)									
Options:									
2013 TDS Options(2)		186,000		\$ 22.60	5/10/23				
2012 TDS Options(3)	103,067	206,133		\$ 20.79	5/16/22				
2011 TDS Options(4)	153,333	76,667		\$ 29.94	5/13/21				
2010 TDS Options(5)	250,000			\$ 26.66	5/25/20				
2009 TDS Options(6)	244,000			\$ 26.95	5/21/19				
2008 TDS Options(7)	226,425			\$ 35.35	5/21/18				
2007 TDS Options(8)	179,653			\$ 59.45	7/2/17				
2006 TDS Options(9)	213,333			\$ 49.80	12/13/16				
2005 TDS Options(10)	231,751			\$ 37.07	4/20/15				
2004 TDS Options(11)	140,956			\$ 31.62	5/8/14				
Stock Awards:									
2013 TDS RSUs(12)						62,719	\$1,616,896		
2012 TDS RSUs(13)						57,500	\$1,482,350		

TDS Bonus Match
not vested:(17) 1,252 \$ 32,277

Total TDS	1,742,518	468,800	121,471	\$3,131,523
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**Kenneth R.
Meyers(1)**

Options:

2013 TDS Options(2)		177,319	\$ 22.60	5/10/23
2012 TDS Options(3)	75,100	150,200	\$ 20.79	5/16/22
2011 TDS Options(4)	80,800	40,400	\$ 29.94	5/13/21
2010 TDS Options(5)	132,500		\$ 26.66	5/25/20
2009 TDS Options(6)	129,400		\$ 26.95	5/21/19
2008 TDS Options(7)	93,000		\$ 35.35	5/21/18
2007 TDS Options(8)	52,942		\$ 59.45	7/2/17

2013 USM Initial

CEO Options(14)		125,000	\$ 39.71	7/31/23
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2006 USM

Options(15)	26,604		\$ 50.97	4/3/16
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Stock Awards:

2013 TDS RSUs(12)			29,909	\$ 771,054
2012 TDS RSUs(13)			26,900	\$ 693,482

2013 USM Initial

CEO RSUs(16)			45,000	\$1,881,900
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TDS Bonus Match

not vested:(17)			1,547	\$ 39,882
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Total TDS	563,742	367,919	58,356	\$1,504,418
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Total USM	26,604	125,000	45,000	\$1,881,900
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**Douglas D.
Shuma(1)**

Options:

2013 TDS Options(2)		29,814	\$ 22.60	5/10/23
2012 TDS Options(3)		24,533	\$ 20.79	5/16/22
2011 TDS Options(4)	14,333	7,167	\$ 29.94	5/13/21
2008 TDS Options(7)	15,300		\$ 35.35	5/21/18

Stock Awards:

2013 TDS RSUs(12)			5,486	\$ 141,429
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2012 TDS RSUs(13) 5,000 \$ 128,900

Total TDS 29,633 61,514 10,486 \$ 270,329

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Name (a)	Option Awards					Stock Awards				
	Number of Securities Underlying Unexercised Options: (#) (b)	Number of Securities Underlying Unexercised Options: (#) (c)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options: (#) (d)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options: (#) (e)	Option Exercise Price (f)	Option Expiration Date (g)	Number of Shares or Units That Have Not Vested (h)	Market Value of Shares or Units of Stock That Have Not Vested (i)	Equity Incentive Plan Awards: Market Payout Value of Unearned Shares, Units or Rights That Have Not Vested (j)	Equity Incentive Plan Awards: Market Payout Value of Unearned Shares, Units or Rights That Have Not Vested (k)
C. Theodore Herbert(1)										
Options:										
2013 TDS Options(2)		43,192		\$ 22.60	5/10/23					
2012 TDS Options(3)	18,467	36,933		\$ 20.79	5/16/22					
2011 TDS Options(4)	21,933	10,967		\$ 29.94	5/13/21					
2010 TDS Options(5)	37,800			\$ 26.66	5/25/20					
2009 TDS Options(6)	38,600			\$ 26.95	5/21/19					
2008 TDS Options(7)	31,500			\$ 35.35	5/21/18					
2007 TDS Options(8)	25,737			\$ 59.45	7/2/17					
2006 TDS Options(9)	37,437			\$ 38.00	6/19/16					
2005 TDS Options(10)	28,039			\$ 37.07	4/20/15					
2004 TDS Options(11)	17,833			\$ 31.62	5/8/14					
Stock Awards:										
2013 TDS RSUs(12)						8,460	\$ 218,099			
						7,700	\$ 198,506			

2012 TDS
RSUs(13)

Total TDS	257,346	91,092		16,160	\$ 416,605
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**Scott H.
Williamson(1)**

Options:

2013 TDS

Options(2)		111,542	\$ 22.60	5/10/23
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2012 TDS

Options(3)	43,167	86,333	\$ 20.79	5/16/22
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2011 TDS

Options(4)	53,866	26,934	\$ 29.94	5/13/21
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2010 TDS

Options(5)	91,200		\$ 26.66	5/25/20
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2009 TDS

Options(6)	90,700		\$ 26.95	5/21/19
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2008 TDS

Options(7)	68,500		\$ 35.35	5/21/18
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2007 TDS

Options(8)	56,998		\$ 59.45	7/2/17
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2006 TDS

Options(9)	75,122		\$ 38.00	6/19/16
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2005 TDS

Options(10)	51,117		\$ 37.07	4/20/15
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Stock Awards:

2013 TDS

RSUs(12)				19,079	\$ 491,857
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2012 TDS

RSUs(13)				17,400	\$ 448,572
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Total TDS	530,670	224,809		36,479	\$ 940,429
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**David A.
Wittwer(1)**

Options:

2013 TDS

Options(2)		109,791	\$ 22.60	5/10/23
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2012 TDS

Options(3)	50,934	101,866	\$ 20.79	5/16/22
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2011 TDS

Options(4)	59,733	29,867	\$ 29.94	5/13/21
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2010 TDS Options(5)	92,800		\$ 26.66	5/25/20
2009 TDS Options(6)	89,500		\$ 26.95	5/21/19
2008 TDS Options(7)	68,500		\$ 35.35	5/21/18
2007 TDS Options(8)	43,077		\$ 59.45	7/2/17
2006 TDS Options(9)	35,364		\$ 38.00	6/19/16
Stock Awards:				
2013 TDS RSUs(12)		21,402	\$	551,744
2012 TDS RSUs(13)		23,500	\$	605,830
Total TDS	439,908	241,524		44,902 \$1,157,574

Mary N. Dillon(1)**Options:****Stock Awards:**

Total USM

Explanation of Columns:

- (a) Includes the persons identified in the Summary Compensation Table.
- (b) Includes, on an award-by-award basis, the number of securities underlying unexercised options that were exercisable as of December 31, 2013. Represents awards with respect to TDS Common Shares or awards with respect to USM Common Shares, as indicated.
- (c) Includes, on an award-by-award basis, the number of securities underlying unexercised options that were unexercisable as of December 31, 2013. Represent awards with respect to TDS Common Shares or awards with respect to USM Common Shares, as indicated.
- (d) This column is not applicable because the named executive officers do not have any options that are equity incentive plan awards, as defined by SEC rules.

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- (e) Represents the exercise prices of the awards identified in columns (b) and (c).
- (f) Represents the expiration dates of the awards identified in columns (b) and (c).
- (g) Represents the total number of shares underlying stock awards that have not vested as of December 31, 2013.
- (h) With respect to TDS awards, represents the market value of TDS shares underlying stock awards that had not vested as of December 31, 2013, calculated using the closing price of TDS Common Shares of \$25.78 on December 31, 2013. With respect to U.S. Cellular awards, represents the market value of USM shares underlying stock awards that had not vested as of December 31, 2013, calculated using the closing price of USM Common Shares of \$41.82 on December 31, 2013.
- (i) This column is not applicable because the named executive officers do not have any stock awards that are equity incentive plan awards, as defined by SEC rules.
- (j) This column is not applicable because the named executive officers do not have any stock awards that are equity incentive plan awards, as defined by SEC rules.

Footnotes:

The following provides additional information with respect to outstanding equity awards at year end. Number references correspond to numbers in the above table. The following discloses the date that options are scheduled to become exercisable and that restricted stock units and phantom stock match units are scheduled to become vested.

- (1) With respect to TDS awards, information is presented as to the number of TDS Common Shares underlying options or stock awards. Dividends are not earned with respect to TDS shares underlying restricted stock units until the award becomes vested and the shares are issued, on TDS shares underlying options until such options are exercised and the shares are issued and on TDS shares underlying phantom stock match units until such units become vested. With respect to U.S. Cellular awards, information is presented as to the number of USM Common Shares underlying options or stock awards. U.S. Cellular does not currently pay any regular dividends.
- (2) Such 2013 TDS Options were granted on May 10, 2013, become vested on May 10, 2016, and are exercisable until May 10, 2023 at the exercise price of \$22.60 per share.
- (3) Such 2012 TDS Options were granted on May 16, 2012, become exercisable with respect to one third of such options on each of May 16, 2013, May 16, 2014 and May 16, 2015, and are exercisable until May 16, 2022 at the exercise price of \$20.79 per share.
- (4)

Such 2011 TDS Options were granted on May 13, 2011, become exercisable with respect to one third of such options on each of May 13, 2012, May 13, 2013 and May 13, 2014, and are exercisable until May 13, 2021 at the exercise price of \$29.94 per share.

(5)

Such 2010 TDS Options were granted on May 25, 2010, became exercisable with respect to one third of such options on each of May 25, 2011, May 25, 2012 and May 25, 2013, and are exercisable until May 25, 2020 at the exercise price of \$26.66 per share.

(6)

Such 2009 TDS Options were granted on May 21, 2009, became exercisable with respect to one third of such options on each of May 21, 2010, May 21, 2011 and May 21, 2012, and are exercisable until May 21, 2019 at the exercise price of \$26.95 per share.

(7)

Such 2008 TDS Options were granted on August 26, 2008, became exercisable with respect to one third of such options on each of August 26, 2009, August 26, 2010 and August 26, 2011, and are exercisable until May 21, 2018 at the exercise price of \$35.35 per share.

(8)

Such 2007 TDS Options were granted on July 2, 2007, became exercisable on December 15, 2007 and are exercisable until July 2, 2017 at the exercise price of \$59.45 per share.

(9)

With respect to LeRoy T. Carlson, Jr., such 2006 TDS Options were granted on December 13, 2006, became exercisable on December 15, 2006 and are exercisable until December 13, 2016 at the exercise price of \$49.80 per share. With respect to C. Theodore Herbert, Scott H. Williamson and David A. Wittwer, such 2006 TDS Options were granted on June 19, 2006, became exercisable on December 15, 2006 and are exercisable until June 19, 2016 at the exercise price of \$38.00 per share.

(10)

Such 2005 TDS Options were granted on April 20, 2005, became exercisable on December 15, 2005 and are exercisable until April 20, 2015 at the exercise price of \$37.07 per share.

(11)

Such 2004 TDS Options were granted on May 8, 2004, became exercisable on December 15, 2004 and are exercisable until May 8, 2014 at the exercise price of \$31.62 per share.

(12)

Such 2013 TDS Restricted Stock Units were granted on May 10, 2013 and will become vested on May 10, 2016.

(13)

Such 2012 TDS Restricted Stock Units were granted on May 16, 2012 and will become vested on December 1, 2014.

(14)

The USM Initial CEO Options (as discussed in Note 2 under the Summary Compensation Table above) were granted on July 31, 2013, become exercisable on June 22, 2019, and are exercisable until July 23, 2023 at an exercise price of \$39.71 per share.

- (15) The 2006 USM Options were granted to Mr. Meyers on April 3, 2006, became exercisable in annual increments of 25% on April 3 of each year beginning in 2007 and ending in 2010, and are exercisable until April 3, 2016 at an exercise price of \$50.97 per share. The information provided for such options reflects anti-dilution adjustments to such options made under the U.S. Cellular 2005 long-term incentive plan and applicable award agreement as a result of a special cash dividend by U.S. Cellular in 2013.
- (16) The USM Initial CEO RSUs (as discussed in Note 2 under the Summary Compensation Table above) were granted on July 31, 2013 and become vested on June 22, 2019.
- (17) Represents phantom stock match units awarded to such officer with respect to deferred bonus compensation. See "Information Regarding Nonqualified Deferred Compensation" below. Represents the number of TDS Common Shares (or USM Common Shares if indicated) underlying phantom stock match units that have not vested. One-third of the phantom stock bonus match units become vested on each of the first three anniversaries of the last day of the year for which the applicable bonus is payable, provided that such officer is an employee of TDS (or U.S. Cellular if indicated) or an affiliate on such date.

Table of Contents**Information Regarding Option Exercises and Stock Vested in 2013**

The following table shows, as to the executive officers who are named in the Summary Compensation Table, certain information regarding option exercises and stock vested in 2013.

2013 Option Exercises and Stock Vested

<i>Name</i>	<i>Option Awards</i>		<i>Stock Awards</i>	
	<i>Number of Shares Acquired on Exercise</i>	<i>Value Realized on Exercise</i>	<i>Number of Shares Acquired on Vesting</i>	<i>Value Realized on Vesting</i>
<i>(a)</i>	<i>(b)</i>	<i>(c)</i>	<i>(d)</i>	<i>(e)</i>
LeRoy T. Carlson, Jr.(1)(3)(16)				
TDS Options Exercised (Exercise Date):				
2003 TDS Options (8/9/13)(4)	136,838	\$ 567,878		
TDS Stock Awards Vested:				
2011 TDS Restricted Stock Units(13)			36,700	\$ 999,341
TDS Bonus Match Units(14)(15)			1,158	\$ 29,853
Total TDS	136,838	\$ 567,878	37,858	\$ 1,029,194
Kenneth R. Meyers(1)(2)(3)(16)				
TDS:				
TDS Options Exercised (Exercise Date):				
TDS Stock Awards Vested:				
2011 TDS Restricted Stock Units(13)			16,700	\$ 454,741
TDS Bonus Match Units(14)(15)			1,238	\$ 31,916
U.S. Cellular:				
USM Options Exercised (Exercise Date):				
2004 USM Options (9/9/13)(5)	10,268	\$ 117,158		
2005 USM Options (9/9/13)(6)	20,053	\$ 108,687		
USM Stock Awards Vested:				
Total TDS		\$	17,938	\$ 486,657
Total USM	30,321	\$ 225,845		\$

Total TDS and USM	30,321	\$	225,845	17,938	\$	486,657
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Douglas D. Shuma(1)(3)(16)**TDS Options Exercised (Exercise Date):**

2009 TDS Options (11/18/13)(7)	22,680	\$	59,496
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2010 TDS Options (11/18/13)(8)	24,600	\$	71,667
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2012 TDS Options (11/18/13)(9)	12,267	\$	107,745
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TDS Stock Awards Vested:

2011 TDS Restricted Stock Units(13)			3,200	\$	87,136
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Total TDS	59,547	\$	238,908	3,200	\$	87,136
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C. Theodore Herbert(1)(3)(16)**TDS Options Exercised (Exercise Date):**

2003 TDS Options (8/12/13)(10)	18,960	\$	73,945
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TDS Stock Awards Vested:

2011 TDS Restricted Stock Units(13)			5,000	\$	136,150
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Total TDS	18,960	\$	73,945	5,000	\$	136,150
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Scott H. Williamson(1)(3)(16)**TDS Options Exercised (Exercise Date):****TDS Stock Awards Vested:**

2011 TDS Restricted Stock Units(13)			11,300	\$	307,699
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Total TDS		\$		11,300	\$	307,699
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David A. Wittwer(1)(3)(16)**TDS Options Exercised (Exercise Date):****TDS Stock Awards Vested:**

2011 TDS Restricted Stock Units(13)			15,900	\$	432,957
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Total TDS		\$		15,900	\$	432,957
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<i>Name</i>	<i>Option Awards</i>		<i>Stock Awards</i>	
	<i>Number of Shares Acquired on Exercise</i>	<i>Value Realized on Exercise</i>	<i>Number of Shares Acquired on Vesting</i>	<i>Value Realized on Vesting</i>
<i>(a)</i>	<i>(b)</i>	<i>(c)</i>	<i>(d)</i>	<i>(e)</i>
Mary N. Dillon(2)(3)(16)				
USM Options Exercised (Exercise Date):				
USM Initial CEO Options (7/18/13)(11)	87,442	\$ 446,829		
2012 USM Options (7/18/13)(12)	29,139	\$ 150,649		
USM Stock Awards Vested:				
USM Initial CEO Restricted Stock Units(13)			20,000	\$ 794,000
Total USM	116,581	\$ 597,478	20,000	\$ 794,000

Explanation of Columns:

- (a) Includes the persons identified in the Summary Compensation Table.
- (b) Represents the gross number of securities for which options were exercised (before withholding any shares to pay the exercise price or taxes).
- (c) Represents the aggregate dollar value realized upon exercise of options, based on the difference between the market price of the underlying securities at exercise and the exercise price of the options.
- (d) Represents the number of shares of stock that have vested. This includes shares underlying restricted stock units and company-match phantom stock units relating to deferred bonuses that became vested in 2013.
- (e) Represents the aggregate dollar value realized upon vesting of stock, calculated by multiplying the number of units by the market value of the underlying securities on the vesting date.

Footnotes:

- (1) Except with respect to Mary N. Dillon, and Kenneth R. Meyers to the extent indicated, information is presented as to the number of TDS Common Shares underlying options or stock awards.

- (2) With respect to Mary N. Dillon, and with respect to Kenneth R. Meyers to the extent indicated, represents USM Common Shares underlying options or stock awards. The information provided reflects anti-dilution adjustments to options made under the U.S. Cellular 2005 long-term incentive plan and applicable award agreement as a result of a special cash dividend by U.S. Cellular in 2013.
- (3) Taxes were paid by the withholding of TDS Common Shares by TDS (or USM Common Shares by U.S. Cellular) having a value equal to the tax withholding amount and in the case of stock options, the exercise price of such options was paid by the withholding of TDS Common Shares by TDS (or USM Common Shares by USM) having a value equal to the aggregate exercise price (except as indicated below with respect to cashless exercises by Mr. Shuma).
- (4) Mr. Carlson exercised stock options with respect to 136,838 TDS Common Shares on August 9, 2013. The exercise price for such options was \$25.36 per share and the closing price of TDS Common Shares on such date was \$29.51 per share, resulting in a value of \$567,878 realized upon exercise.
- (5) Mr. Meyers exercised stock options with respect to 10,268 USM Common Shares on September 9, 2013. The exercise price for such options was \$33.15 per share and the closing price of USM Common Shares on such date was \$44.56 per share, resulting in a value of \$117,158 realized upon exercise.
- (6) Mr. Meyers exercised stock options with respect to 20,053 USM Common Shares on September 9, 2013. The exercise price for such options was \$39.14 per share and the closing price of USM Common Shares on such date was \$44.56 per share, resulting in a value of \$108,687 realized upon exercise.
- (7) Mr. Shuma exercised stock options with respect to 22,680 TDS Common Shares on November 18, 2013 through a cashless exercise. The exercise price for such options was \$26.95 per share and the sales price realized by Mr. Shuma upon the sale of TDS Common Shares on such date was \$29.57 per share, resulting in a value of \$59,496 realized upon exercise.
- (8) Mr. Shuma exercised stock options with respect to 24,600 TDS Common Shares on November 18, 2013 through a cashless exercise. The exercise price for such options was \$26.66 per share and the sales price realized by Mr. Shuma upon the sale of TDS Common Shares on such date was \$29.57 per share, resulting in a value of \$71,667 realized upon exercise.
- (9) Mr. Shuma exercised stock options with respect to 12,267 TDS Common Shares on November 18, 2013 through a cashless exercise. The exercise price for such options was \$20.79 per share and the sales price realized by Mr. Shuma upon the sale of TDS Common Shares on such date was \$29.57 per share, resulting in a value of \$107,745 realized upon exercise.
- (10) Mr. Herbert exercised stock options with respect to 18,960 TDS Common Shares on August 12, 2013. The exercise price for such options was \$25.36 per share and the closing price of TDS Common Shares on such date was \$29.26 per share, resulting in a value of \$73,945 realized upon exercise.

- (11) Ms. Dillon exercised stock options initially granted to her upon her employment in June 2010 (the "USM Initial CEO Options") with respect to 87,442 USM Common Shares on July 18, 2013. The exercise price for such options was \$35.00 per share and

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the closing price of USM Common Shares on such date was \$40.11 per share, resulting in a value of \$446,829 realized upon exercise.

(12) Ms. Dillon exercised stock options with respect to 29,139 USM Common Shares on July 18, 2013. The exercise price for such options was \$34.94 per share and the closing price of USM Common Shares on such date was \$40.11 per share, resulting in a value of \$150,649 realized upon exercise.

(13) On December 2, 2013, the 2011 TDS restricted stock units vested and were issued in TDS Common Shares. The amounts in column (e) relating to such shares represent the market values of these shares using the closing price of \$27.23 on December 2, 2013. On June 1, 2013, certain restricted stock units initially granted to Ms. Dillon in June 2010 (the "USM Initial CEO Restricted Stock Units") vested and were issued in USM Common Shares. The amount in column (e) relating to such shares represents the market value of these shares using the closing price of \$39.70 on May 31, 2013, the last trading day immediately preceding the date of vesting since the date of vesting was a weekend day.

(14) Pursuant to the TDS 2004 Long-Term Incentive Plan and the TDS 2011 Long-Term Incentive Plan (or the U.S. Cellular long-term incentive plans in the case of the U.S. Cellular President and CEO, if any), the company-match phantom stock units relating to deferred bonus vest one-third on each of the first three anniversaries of the last day of the year for which the applicable bonus is payable, provided that the award recipient is an employee of TDS or an affiliate on such date. The stock price used to calculate the value realized on vesting was the closing price of TDS Common Shares of \$25.78 (or the closing price of USM Common Shares of \$41.82 for USM phantom stock units) on December 31, 2013. See "Information Regarding Nonqualified Deferred Compensation" below.

(15) Vested TDS phantom stock units are credited with dividend equivalents. U.S. Cellular does not currently pay regular dividends.

(16) See the Outstanding Equity Awards at Fiscal Year-End Table above for a description of the awards that continued to be held by the named executive officers at December 31, 2013.

From time to time, TDS and/or U.S. Cellular authorizes its executive officers to enter into plans under Section 10b5-1 of the Securities Exchange Act of 1934, as amended. These plans may include specific instructions for the broker to exercise stock options and/or sell stock on behalf of the executive based on a pre-determined schedule or formula. The purpose of such plans is to enable executive officers to recognize the value of their compensation and sell their holdings of TDS and/or U.S. Cellular common stock during periods in which the officer would otherwise be unable to buy or sell such stock because important information about TDS and/or U.S. Cellular has not been publicly released.

Information Regarding Pension Benefits

TDS and U.S. Cellular executive officers are covered by the Tax-Deferred Savings Plan (a tax-qualified "defined contribution" plan), the Pension Plan (a tax-qualified "defined contribution" plan) and the SERP (a non-qualified "defined contribution" supplemental plan), as discussed above. The company contributions for each of the named executive officers under these plans is disclosed in column (i), "All Other Compensation," of the Summary Compensation Table. TDS and U.S. Cellular do not have any "defined benefit" pension plans (including supplemental plans). The named executive officers only participate in tax-qualified defined contribution plans and a non-qualified defined contribution plan. Accordingly, the Pension Benefits table required to be provided by SEC rules is not applicable.

Table of Contents**Information Regarding Nonqualified Deferred Compensation**

The following table shows, as to the executive officers who are named in the Summary Compensation Table, certain information regarding nonqualified deferred compensation.

2013 Nonqualified Deferred Compensation

<i>Name</i>	<i>Executive Contributions in Last FY</i>	<i>Registrant Contributions in Last FY</i>	<i>Aggregate Earnings in Last FY</i>	<i>Aggregate Withdrawals/ Distributions</i>	<i>Aggregate Balance at Last FYE</i>
<i>(a)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>
<i>(a)</i>	<i>(b)</i>	<i>(c)</i>	<i>(d)</i>	<i>(e)</i>	<i>(f)</i>
LeRoy T. Carlson, Jr.					
SERP(1)					
Company contribution		\$ 50,000			
Interest up to AFR			\$ 17,409		
Interest above AFR			\$ 4,721		
Total Interest			\$ 22,130		
Balance at year end					\$ 674,512
Bonus Deferral and Company Match into TDS Phantom Shares(3)					
Deferral of 2012 Bonus paid in 2013 5,662 TDS Shares	\$ 124,500				
Company Match for 2012 Bonus paid in 2013 of 1,415 TDS Shares		\$ 31,125			
Dividend Equivalents on Deferred Bonus and Company Match of 1,196 TDS Shares			\$ 30,833		
Changes in Value in 2013			\$ 219,805		
Accumulated Balance at Year End:					
62,861 vested TDS Shares					\$ 1,620,557
1,252 unvested TDS Shares					\$ 32,277
Aggregate Totals(4)	\$ 124,500	\$ 81,125	\$ 272,768	\$	\$ 2,327,346

Kenneth R. Meyers

SERP(1)

Company contribution	\$ 38,111				
Interest up to AFR			\$ 17,673		
Interest above AFR			\$ 4,793		

Total Interest	\$ 22,466	
Balance at year end		\$ 672,109

Salary Deferral(2)

TDS Salary deferred into Interest Account:

Salary deferred	\$ 90,995	
Interest up to AFR	\$ 15,616	
Interest above AFR	\$ 5,374	

Total Interest	\$ 20,990	
Balance at year end		\$ 515,845

U.S. Cellular Salary deferred into Interest Account
in prior years:

Interest up to AFR	\$ 1,844	
Interest above AFR	\$ 522	

Total Interest	\$ 2,366	
Balance at year end		\$ 54,419

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<i>Name</i> <i>(a)</i>	<i>Executive Contributions in Last FY</i> <i>(\$)</i> <i>(b)</i>	<i>Registrant Contributions in Last FY</i> <i>(\$)</i> <i>(c)</i>	<i>Aggregate Earnings in Last FY</i> <i>(\$)</i> <i>(d)</i>	<i>Aggregate Withdrawals/ Distributions</i> <i>(\$)</i> <i>(e)</i>	<i>Aggregate Balance at Last FYE</i> <i>(\$)</i> <i>(f)</i>
Bonus Deferral and Company Match into TDS Phantom Shares(3)					
Deferral of 2012 Bonus paid in 2013 6,625 TDS Shares	\$ 145,680				
Company Match for 2012 Bonus paid in 2013 of 1,656 TDS Shares		\$ 36,420			
Dividend Equivalents on Deferred Bonus and Company Match of 456 TDS Shares			\$ 11,756		
Changes in Value in 2013			\$ 80,358		
Accumulated Balance at Year End:					
24,741 vested TDS Shares					\$ 637,823
1,547 unvested TDS Shares					\$ 39,882
Aggregate Totals(4)	\$ 236,675	\$ 74,531	\$ 137,936	\$	\$ 1,920,052

Douglas D. Shuma

SERP(1)

Company contribution	\$ 11,989				
Interest up to AFR			\$ 1,424		
Interest above AFR			\$ 386		
Total Interest			\$ 1,810		
Balance at year end					\$ 63,057
Aggregate Totals(4)	\$	\$ 11,989	\$ 1,810	\$	\$ 63,057

C. Theodore Herbert

SERP(1)

Company contribution	\$ 50,000				
Interest up to AFR			\$ 21,582		
Interest above AFR			\$ 5,853		

Total Interest		\$ 27,435	
Balance at year end			\$ 824,213
Deferral to Interest Account(2)			
Salary deferred	\$ 325,654		
Bonus deferred	\$ 241,400		
Interest up to AFR		\$ 336,808	
Interest above AFR		\$ 118,014	

Total Interest		\$ 454,822	
Balance at year end			\$ 10,335,730

Aggregate Totals(4)	\$ 567,054	\$ 50,000	\$ 482,257	\$ 11,159,943
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Scott H. Williamson

SERP(1)

Company contribution	\$ 21,606		
Interest up to AFR		\$ 15,795	
Interest above AFR		\$ 4,284	

Total Interest		\$ 20,079	
Balance at year end			\$ 588,247

Aggregate Totals(4)	\$	\$ 21,606	\$ 20,079	\$ 588,247
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<i>Name</i> <i>(a)</i>	<i>Executive Contributions in Last FY</i> <i>(b)</i>	<i>Registrant Contributions in Last FY</i> <i>(c)</i>	<i>Aggregate Earnings in Last FY</i> <i>(d)</i>	<i>Aggregate Withdrawals/ Distributions</i> <i>(e)</i>	<i>Aggregate Balance at Last FYE</i> <i>(f)</i>
David A. Wittwer					
SERP(1)					
Company contribution		\$ 13,500			
Interest up to AFR			\$ 5,540		
Interest above AFR			\$ 1,502		
Total Interest			\$ 7,042		
Balance at year end					\$ 212,236
Salary deferred to Interest Account in prior years(2)					
Interest up to AFR			\$ 52,751		
Interest above AFR			\$ 20,036		
Total Interest			\$ 72,787		
Balance at year end					\$ 1,585,370
Aggregate Totals(4)	\$	\$ 13,500	\$ 79,829	\$	\$ 1,797,606
Mary N. Dillon					
SERP(1)					
Interest up to AFR			\$ 2,240		
Interest above AFR			\$ 608		
Total Interest			\$ 2,848		
Balance at year end					\$ 80,366
Bonus Deferral and Company Match into USM Phantom Shares(3)					
Deferral of 2012 Bonus paid in 2013 5,477 USM shares		\$ 172,500			
Company Match for 2012 Bonus paid in 2013 of 1,369 USM shares			\$ 43,125		
Changes in Value in 2013			\$ 69,577		
Accumulated Balance at Year End:					
10,321 USM Shares, all of which were vested (all unvested shares were forfeited upon					\$ 431,624

Ms. Dillon's resignation in June 2013)				
Salary and Bonus Deferred into Interest Account(2)				
Salary Deferred(2)	\$	109,695		
Bonus Deferred	\$	172,500		
Interest up to AFR			\$	36,694
Interest above AFR			\$	10,238
Total Interest			\$	46,932
Balance at year end				\$ 1,153,814
Aggregate Totals(4)	\$	454,695	\$	43,125
	\$	119,357	\$	1,665,804

Explanation of Columns:

- (a) Includes the persons identified in the Summary Compensation Table.
- (b) Represents the dollar amount of executive contributions during the last fiscal year. With respect to any deferred salary, includes the actual dollar amount deferred. The entire amount of the salary earned in 2013 is included in column (c) of the Summary Compensation Table, whether or not deferred. The deferred salary account is paid at the time and in the form provided in the applicable plan or agreement, which permits certain distribution elections by the officer.

With respect to deferred bonus, includes the actual dollar amount of bonus deferred. The entire amount of the bonus is included in the Summary Compensation Table in column (d) or (g), whether or not deferred. The named executive officers receive a distribution of the deferred compensation account at the earlier of the date elected by the officer and the officer's separation from service (or, with respect to amounts subject to section 409A of the Internal Revenue Code, the seventh calendar month following the calendar month of the officer's separation from service), provided that for amounts deferred for years prior to 2013 by the named executive officers employed by U.S. Cellular, the account shall be distributed at the date

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elected by the officer (either the officer's separation from service, subject to any six-month delay required by section 409A of the Internal Revenue Code, or a date specified by the officer).

(c)

Represents the dollar amount of aggregate contributions by TDS or U.S. Cellular during the last fiscal year. With respect to the SERP, represents the actual dollar amount credited with respect to 2013 for the officer. This is the same as the amount included in column (i) of the Summary Compensation Table.

With respect to the company match, the amount in 2013 represents the value of the shares underlying the phantom stock units awarded to such officer. This is the same as the amount included in column (e) of the Summary Compensation Table.

(d)

Includes the dollar amount of aggregate interest or other earnings accrued during the last fiscal year. With respect to the SERP, represents the dollar amount credited to the officer's account in 2013, of which any amount that is deemed to be above-market or preferential earnings as defined by SEC rules is included in column (h) of the Summary Compensation Table. With respect to any salary or bonus deferred into an interest account, includes the amount of interest credited to the deferral account for 2013, of which any amount that is deemed to be above-market or preferential earnings as defined by SEC rules is included in column (h) of the Summary Compensation Table. The amount up to the AFR (as previously defined) is not deemed to be above-market or preferential, and is not included in the Summary Compensation Table. The amount above the AFR is deemed to be above-market or preferential and, therefore, is included in the Summary Compensation Table. With respect to the bonus deferral and company match, represents the dollar value of the phantom stock units credited to the account of the identified officer as dividend equivalents, based on the closing price of the underlying shares on December 31, 2013. Also includes the changes in value of the bonus deferral units and company match units in 2013. This amount is not included in the Summary Compensation Table.

(e)

Represents the aggregate dollar amount of any withdrawals by or distributions to the executive during the last fiscal year. Any such amounts represent withdrawals or distributions of company and/or employee contributions and/or earnings and are not included in 2013 compensation in the Summary Compensation Table.

(f)

Represents the dollar value of the balance of the executive's account as of the end of the last fiscal year. With respect to the SERP, represents the actual dollar amount credited to the executive's account as of December 31, 2013. With respect to any deferred salary or any bonus deferred under any interest-bearing deferral arrangement, represents the actual dollar amount credited to the executive's account as of December 31, 2013. With respect to bonus deferral and company match under a phantom stock deferral arrangement, represents the dollar value of the number of phantom stock units credited to the executive's account as of December 31, 2013 based on the closing price of the underlying shares on December 31, 2013. The stock price used for TDS shares was the closing price of a TDS Common Share of \$25.78 on December 31, 2013. The stock price used for U.S. Cellular shares was the closing price of a U.S. Cellular Common Share of \$41.82 on December 31, 2013. Column (f) includes certain amounts reported as 2013 compensation in the Summary Compensation Table, as indicated in notes to columns (b) through (d).

Footnotes:

(1)

Each of the named executive officers participates in the SERP. This plan provides supplemental benefits to the TDS Pension Plan to offset the reduction of benefits caused by the limitations under the Internal Revenue

Code for tax-qualified pension plans, including the limit on annual employee compensation which can be considered. The SERP is a non-qualified defined contribution plan and is unfunded. Such officers are credited with earnings on their balances in this non-qualified defined contribution plan. Under the SERP, the deferred balance is credited with an assumed rate of earnings on all amounts other than the contributions for the current year equal to the yield on ten year BBB rated industrial bonds for the last trading date of the prior year as quoted by Standard & Poor's. The interest rate under the SERP for 2013 was set as of the last trading date of 2012 at 3.6242% per annum, based on the yield on ten year BBB rated industrial bonds at such time. Such rate exceeded the AFR of 2.89% at such time. Accordingly, pursuant to SEC rules, column (h) of the Summary Compensation Table for 2013 includes the portion of such interest that exceeded that calculated utilizing the AFR at the time the interest rate was set.

See "Compensation Discussion and Analysis" for information relating to vesting and distribution of amounts under the SERP.

(2)

Represents deferred salary and/or bonus accounts pursuant to interest-bearing deferred compensation agreements with Mr. Meyers, Mr. Herbert, Mr. Wittwer and Ms. Dillon. The other officers have not deferred any of their salaries or bonus under the interest-bearing deferral arrangements. All of the annual salary is reported in column (c) of the Summary Compensation Table, whether or not deferred. All of the annual bonus is reported in column (d) or (g) of the Summary Compensation Table, whether or not deferred. Pursuant to the agreements, the deferred accounts are credited with interest compounded monthly, computed at a rate equal to one-twelfth of the sum of the average thirty-year Treasury Bond rate for salary or bonus deferred as an employee of TDS, or the twenty-year Treasury Bond rate for salary or bonus deferred as an employee of U.S. Cellular, plus 1.25 percentage points, until the deferred compensation amount is paid to such person. As required by SEC rules, column (h) of the Summary Compensation Table includes the portion of such interest that exceeded interest calculated using the AFR at the time each monthly interest rate was set.

Only Kenneth R. Meyers, C. Theodore Herbert and Mary N. Dillon deferred a portion of their salaries in 2013. Although a portion of Mr. Meyers' salary for 2013 was paid by U.S. Cellular, because Mr. Meyers' deferral election was made when he was an employee of TDS before his transfer to U.S. Cellular in June 2013, all salary amounts deferred for 2013, whether payable by TDS or U.S. Cellular, are a part of his deferred interest account with TDS. Only C. Theodore Herbert and Mary N. Dillon deferred a portion of their 2012 bonus paid in 2013 into an interest-bearing arrangement.

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(3)

The amounts in column (b) represent deferrals of annual bonus under phantom stock deferral arrangements. All of the annual bonus earned is reported in the Summary Compensation Table, whether or not deferred.

The amounts in column (c) represent the value of company match units awarded to such officer. One-third of the phantom stock bonus match units vest with respect to a particular year's deferred bonus on each of the first three anniversaries of the last day of the year for which the applicable bonus is payable, provided that the officer is an employee of TDS or U.S. Cellular or an affiliate on such date. If the officer continues as an employee during the entire vesting period, he or she will receive total bonus match units equal to the sum of (i) 25% of the amount deferred into phantom stock, up to 50% of such year's bonus, and (ii) 33% (33 1/3% in the case of an officer employed by U.S. Cellular) of the amount deferred into phantom stock that exceeded 50% of such year's bonus (increased by any dividend equivalents issued with respect to vested phantom stock). The vesting of unvested phantom stock match units may accelerate under certain circumstances and the effects of such acceleration are disclosed in the "Potential Payments upon Termination or Change in Control" table below. The aggregate grant date fair value computed in accordance with FASB ASC 718 of the match stock units is reported in the Summary Compensation Table in column (e) under "Stock Awards."

A TDS officer will receive in shares an amount equal to his or her vested deferred compensation account balance at the earlier of the date elected by the officer and the officer's separation from service (or, with respect to amounts subject to section 409A of the Internal Revenue Code, the seventh calendar month following the calendar month of the officer's separation from service).

The U.S. Cellular President and CEO participates in the U.S. Cellular long-term incentive plans. These plans permit or permitted participants to defer all or a portion of their annual bonus to a deferred compensation account. Deferred bonus is deemed invested in phantom USM Common Shares. The entire amount of the bonus earned is reported in the Summary Compensation Table, whether or not deferred. The aggregate grant date fair value computed in accordance with FASB ASC 718 of the match stock units is reported in the Summary Compensation Table in column (e) under "Stock Awards." For further information relating to U.S. Cellular company match awards, see U.S. Cellular's 2014 proxy statement . A U.S. Cellular officer will receive in shares an amount equal to his or her vested phantom stock account balance at the earlier of the date elected by the officer and the officer's separation from service (or, with respect to amounts subject to section 409A of the Internal Revenue Code, the seventh calendar month following the calendar month of the officer's separation from service), provided that for amounts deferred for years prior to 2013, the account shall be distributed at the date elected by the officer (either the officer's separation from service, subject to any six-month delay required by section 409A of the Internal Revenue Code, or a date specified by the officer).

LeRoy T. Carlson, Jr., Kenneth R. Meyers and Mary N. Dillon each deferred a portion of their 2012 bonus paid in 2013 into phantom stock.

(4)

Information relating to deferred compensation amounts included in the above Summary Compensation Table for 2013 is provided in the above notes. As required by SEC rules, the following is a summary of the amount of the above year-end total deferred compensation balances reported as compensation in the Summary Compensation Table in years prior to 2013, beginning with deferred compensation in 2006 (reported in the 2007 proxy statement), which is the first year for which deferred compensation was reported pursuant to the above table. The below amounts do not include previously reported deferred compensation that has been distributed.

	<i>LeRoy T. Carlson, Jr.</i>	<i>Kenneth R. Meyers</i>	<i>Douglas C. D. Theodore Shum</i>	<i>Scott H. Herbert Williamson</i>	<i>David A. Wittwer</i>	<i>Mary N. Dillon</i>
SERP Company						
Contribution	\$ 179,706	\$ 220,500	\$	\$ 124,940	\$ 35,088	\$ 75,807
Salary Deferral		352,920				443,984
Excess Interest	28,350	32,273		20,631	36,794	7,204
Bonus Deferral	691,985	537,165				495,027
Company Match	175,491	134,277				40,625
Total	\$1,075,532	\$1,277,135	\$	\$ 145,571	\$ 71,882	\$1,062,647

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Potential Payments upon Termination or Change in Control

This section discusses, with respect to the executives identified in the Summary Compensation Table, each contract, agreement, plan or arrangement, whether written or unwritten, that provides for payments to such executive at, following, or in connection with any termination, including resignation, severance, retirement or constructive termination, or a change in control of TDS or a change in the executive officer's responsibilities. However, this section does not discuss any such contract, agreement, plan or arrangement that does not discriminate in scope, terms or operation in favor of executive officers and that is available generally to all employees.

TDS does not have any plans or policies that provide for severance or other compensation or benefits to the named executive officers upon termination or a change in control other than the acceleration of vesting of option and stock awards upon certain events as discussed herein and other than any agreements described in the footnotes to the below Table of Potential Payments upon Termination or Change in Control. TDS may enter into agreements or arrangements with officers that provide for severance or other compensation or benefits under circumstances that are negotiated with an officer in connection with the employment or termination of employment of such officer. Any such agreement or arrangement is based on the facts and circumstances at the time relating to that particular employment relationship. As of December 31, 2013, the only such agreement with a named executive officer was the Meyers Letter Agreement, which is described in Footnote (3) to the Table of Potential Payments upon Termination or Change in Control below.

The acceleration of vesting of awards may be considered to be appropriate upon certain qualified termination events or a change in control, but TDS does not consider it appropriate to generally provide for other significant severance or similar benefits in such events or to permit the acceleration of vesting of awards as a general rule for non-qualified termination events. TDS considers the fact that, unlike companies that may be widely held, TDS is controlled by the TDS Voting Trust. As a result, TDS does not follow the practices of certain other companies that may provide for substantial benefits upon a termination or a change in control as a standard practice. Instead, potential payments upon a termination or a change in control are designed primarily so that employees are neither harmed nor given a windfall in such circumstances. The acceleration of awards under certain circumstances is intended to motivate executive officers to act in the long-term interests of TDS. The provisions relating to possible acceleration of awards is discussed above under "Compensation Discussion and Analysis Other Benefits and Plans Available to Named Executive Officers TDS 2011 Long-Term Incentive Plan" and " TDS 2004 Long-Term Incentive Plan."

The foregoing limited and customized approach to termination payments is consistent with TDS' overall compensation objectives, as discussed herein. These objectives assume that officers will be compensated primarily based on performance during their continued employment with TDS and are designed to motivate executive officers to act in the long-term interest of TDS, recognizing that TDS is a controlled company. As a result, these objectives do not contemplate providing significant benefits upon or providing significant incentives with respect to qualified termination events or a change in control or providing any benefits upon non-qualified termination events. Accordingly, the limited amounts of termination and change in control payments provided as discussed herein are taken into account with all other facts and circumstances, but otherwise do not significantly affect decisions relating to other elements of compensation, which are provided consistent with the foregoing compensation objectives assuming continued employment until normal retirement.

Table of Potential Payments upon Termination or Change in Control

The following table summarizes the estimated payments to be made under each contract, agreement, plan or arrangement which provides for payments to a named executive officer at, following, or in connection with any termination of employment including by resignation, severance, retirement, disability or a constructive termination of a named executive officer, or a change in control or a change in the named executive officer's responsibilities. However, in accordance with SEC regulations, the following does not report any amount to be provided to a named executive officer under any arrangement that does not discriminate in scope, terms, or operation in favor of our executive officers and which is

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available generally to all employees. Also, the following table does not repeat information disclosed above under the Nonqualified Deferred Compensation table or the Outstanding Equity Awards at Fiscal Year-End table, except to the extent that the amount payable to the named executive officer would be enhanced or accelerated by the termination event.

The following table provides quantitative disclosure, assuming that the triggering event took place on December 31, 2013 and, if applicable, that the price per share of the registrant's securities was the closing market price as of December 31, 2013. Because all of the options granted prior to 2011 were exercisable as of December 31, 2013, no additional amounts would become payable with respect to options granted prior to 2011 upon any termination or change in control. However, additional payments may become due as a result of the acceleration of the vesting of restricted stock units and/or bonus match units, or options granted during 2011, 2012 or 2013, upon the following triggering events: (i) a qualified disability (for restricted stock units and bonus match units but not options), (ii) death (for restricted stock units and bonus match units but not options), (iii) a Change in Control (as defined in the applicable TDS or U.S. Cellular long-term incentive plan described above, and except in the case of awards granted under the TDS 2004 Long-Term Incentive Plan, upon approval by the board of directors), and (iv) a qualified retirement (for restricted stock units and options granted by either TDS or U.S. Cellular and bonus match units granted by U.S. Cellular but not bonus match awards granted by TDS) (collectively, "Triggering Events"). No such additional payments with respect to equity awards would be made in the event of any other termination of employment or service. In addition, the below table identifies other payments that have been, will be or could be made pursuant to agreements, if any, to the extent discussed in the footnotes to the below table.

Table of Contents**2013 Table of Potential Payments upon Termination or Change in Control**

<i>Name</i> <i>(a)</i>	<i>Early Vesting of Options (\$) (b)</i>	<i>Early Vesting of Stock Awards (\$) (c)</i>	<i>Other (\$) (d)</i>	<i>Total (\$) (d)</i>
LeRoy T. Carlson, Jr.				
Unexercisable Stock Options for 468,800 Common Shares(1)	\$ 1,620,084			\$ 1,620,084
Unvested Stock Awards for 121,471 Common Shares(2)		\$ 3,131,523		\$ 3,131,523
Aggregate Totals	\$ 1,620,084	\$ 3,131,523	\$	\$ 4,751,607

Kenneth R. Meyers

One Year of Current Salary as Severance(3)			\$ 830,000	\$ 830,000
TDS Options and Awards:				
Unexercisable Stock Options for 367,919 TDS Common Shares(1)	\$ 1,313,373			\$ 1,313,373
Unvested Stock Awards for 58,356 TDS Common Shares(2)		\$ 1,504,418		\$ 1,504,418
U.S. Cellular Options and Awards:				
Unexercisable Stock Options for 125,000 USM Common Shares(1)	\$ 263,750			\$ 263,750
Unvested Stock Awards for 45,000 USM Common Shares(2)		\$ 1,881,900		\$ 1,881,900
Aggregate Totals	\$ 1,577,123	\$ 3,386,318	\$ 830,000	\$ 5,793,441

Douglas D. Shuma

Unexercisable Stock Options for 61,514 Common Shares (1)	\$ 217,229			\$ 217,229
Unvested Stock Awards for 10,486 Common Shares (2)		\$ 270,329		\$ 270,329
Aggregate Totals	\$ 217,229	\$ 270,329	\$	\$ 487,558

C. Theodore Herbert

Unexercisable Stock Options for 91,092 Common Shares(1)	\$	321,647		\$	321,647
Unvested Stock Awards for 16,160 Common Shares(2)			\$	416,605	\$ 416,605
Aggregate Totals	\$	321,647	\$	416,605	\$ 738,252

Scott H. Williamson

Unexercisable Stock Options for 224,809 Common Shares(1)	\$	785,506		\$	785,506
Unvested Stock Awards for 36,479 Common Shares(2)			\$	940,429	\$ 940,429
Aggregate Totals	\$	785,506	\$	940,429	\$ 1,725,935

David A. Wittwer

Unexercisable Stock Options for 241,524 Common Shares(1)	\$	857,446		\$	857,446
Unvested Stock Awards for 44,902 Common Shares(2)			\$	1,157,574	\$ 1,157,574
Aggregate Totals	\$	857,446	\$	1,157,574	\$ 2,015,020

Former Officer: Mary N. Dillon

Aggregate Totals	\$		\$		\$
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Explanation of Columns:

- (a) Includes the persons identified in the Summary Compensation Table. No amounts are included for Mary N. Dillon because she resigned before December 31, 2013 and is not entitled to any such potential payments for a termination of employment as of December 31, 2013. Ms. Dillon voluntarily resigned and was not entitled to any payments or accelerated vesting of equity awards in connection with her termination.
- (b) Represents the maximum potential value of accelerated options assuming that a Triggering Event took place on December 31, 2013 and that the price per share of the registrant's securities was the closing market price as of December 31, 2013. The stock price used for TDS Common Shares was the closing price of \$25.78 on December 31, 2013. The stock price used for USM Common Shares was the closing price of \$41.82 on December 31, 2013.
- (c) Represents the maximum potential value of accelerated restricted stock units and bonus match units assuming that a Triggering Event took place on December 31, 2013 and that the price per share of the registrant's securities was the closing

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market price as of December 31, 2013. The stock price used for TDS Common Shares was the closing price of \$25.78 on December 31, 2013. The stock price used for USM Common Shares was the closing price of \$41.82 on December 31, 2013.

(d) Represents other potential payments as of December 31, 2013, if any.

(e) Represents the total of columns (b) through (d).

Although TDS has attempted to make a reasonable estimate (or a reasonable estimated range of amounts) applicable to the payment or benefit based on the disclosed material assumptions, the calculation of the foregoing represents forward-looking statements that involve risks, uncertainties and other factors that may cause actual results to be significantly different from the amounts expressed or implied by such forward looking statements. Such risks, uncertainties and other factors include those set forth under "Risk Factors" in TDS' Form 10-K for the year ended December 31, 2013.

TDS has no current obligations to pay any perquisites or other personal benefits to any of the named executive officers upon termination or change in control, subject to the discussion in footnote (2) below with respect to Mr. Meyers.

No information is provided with respect to contracts, agreements, plans or arrangements to the extent they do not discriminate in scope, terms or operation in favor of executive officers of the registrant and that are available generally to all employees.

Footnotes:

(1) The following table shows the intrinsic value of the options, if any, calculated as the difference between the exercise price of such stock options and the closing price of a TDS Common Share on December 31, 2013 of \$25.78 per share (or a U.S. Cellular Common Share on December 31, 2013 of \$41.82 per share).

<i>Option (Per Share Exercise Price of Options)</i>	<i>Number of Shares Underlying Specified Awards that are Unexercisable at 12/31/13</i>	<i>Value at 12/31/13 based on \$25.78 per TDS share and \$41.82 per USM share</i>	<i>Less Aggregate Exercise Price</i>	<i>Difference (if Positive)</i>
LeRoy T. Carlson, Jr.				
2013 Options (\$22.60)	186,000	\$ 4,795,080	\$ 4,203,600	\$ 591,480
2012 Options (\$20.79)	206,133	\$ 5,314,109	\$ 4,285,505	\$ 1,028,604
2011 Options (\$29.94)	76,667	\$ 1,976,475	\$ 2,295,410	\$
	468,800			\$ 1,620,084

Kenneth R. Meyers

TDS:

2013 Options (\$22.60)	177,319	\$	4,571,284	\$	4,007,409	\$	563,875
2012 Options (\$20.79)	150,200	\$	3,872,156	\$	3,122,658	\$	749,498
2011 Options (\$29.94)	40,400	\$	1,041,512	\$	1,209,576	\$	

Total for TDS	367,919						\$1,313,373
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U.S. Cellular

USM Initial CEO Options (\$39.71)	125,000	\$	5,227,500	\$	4,963,750	\$	263,750
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Total for U.S. Cellular	125,000						\$ 263,750
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Douglas D. Shuma

2013 Options (\$22.60)	29,814	\$	768,605	\$	673,796	\$	94,809
2012 Options (\$20.79)	24,533	\$	632,461	\$	510,041	\$	122,420
2011 Options (\$29.94)	7,167	\$	184,765	\$	214,580	\$	

Total	61,514						\$ 217,229
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C. Theodore Herbert

2013 Options (\$22.60)	43,192	\$	1,113,490	\$	976,139	\$	137,351
2012 Options (\$20.79)	36,933	\$	952,133	\$	767,837	\$	184,296
2011 Options (\$29.94)	10,967	\$	282,729	\$	328,352	\$	

Total	91,092						\$ 321,647
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Scott H. Williamson

2013 Options (\$22.60)	111,542	\$	2,875,553	\$	2,520,849	\$	354,704
2012 Options (\$20.79)	86,333	\$	2,225,665	\$	1,794,863	\$	430,802
2011 Options (\$29.94)	26,934	\$	694,359	\$	806,404	\$	

Total	224,809						\$ 785,506
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David A. Wittwer

2013 Options (\$22.60)	109,791	\$	2,830,412	\$	2,481,277	\$	349,135
2012 Options (\$20.79)	101,866	\$	2,626,105	\$	2,117,794	\$	508,311

2011 Options (\$29.94)	29,867	\$	769,971	\$	894,218	\$
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Total	241,524				\$ 857,446	
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Mary N. Dillon			N/A		N/A	\$
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(2) Represents unvested restricted stock units and any unvested bonus match units. See the "Outstanding Equity Awards at Fiscal Year-End" table for details.

(3) The Meyers Letter Agreement described in Footnote (2) to the 2013 Summary Compensation Table provides that, in the event that U.S. Cellular terminates Mr. Meyers' employment involuntarily without cause prior to June 22, 2019, U.S. Cellular shall pay him a severance amount equal to his then current annual base salary. In addition, the Meyers Letter Agreement provides that, because the transfer of Mr. Meyers' employment from TDS to U.S. Cellular caused him to be ineligible for certain retiree medical and life insurance benefits that may have been available to him had he retired from TDS, U.S. Cellular agreed to make certain cash reimbursements or payments to Mr. Meyers following his retirement from U.S. Cellular pursuant to the terms and conditions specified in the Meyers Letter Agreement. The cash reimbursements with respect to the retiree medical benefits will include a gross-up for additional taxes payable by Mr. Meyers as a result of such reimbursements.

Compensation of Directors

The following table shows, as to directors who are not executive officers of TDS, certain information regarding director compensation for the fiscal year ended December 31, 2013.

2013 Director Compensation

<i>Name</i>	<i>Fees Earned or Paid in</i>		<i>Option Awards</i>	<i>Non-Equity Incentive Plan Compensation</i>	<i>Change in Pension Value and Nonqualified Deferred Earnings</i>	<i>All Other Compensation</i>	<i>Total</i>
	<i>Cash</i>	<i>Stock Awards</i>					
<i>(a)</i>	<i>(b)</i>	<i>(c)</i>	<i>(d)</i>	<i>(e)</i>	<i>(f)</i>	<i>(g)</i>	<i>(h)</i>
Letitia G. Carlson, M.D.	\$ 101,875	\$ 73,289				\$ 116	\$ 175,280
Prudence E. Carlson	\$ 99,250	\$ 73,289				\$ 116	\$ 172,655
Walter C.D. Carlson	\$ 161,250	\$ 73,289				\$ 116	\$ 234,655
Clarence A. Davis	\$ 128,625	\$ 73,289				\$ 116	\$ 202,030
Donald C. Nebergall	\$ 128,625	\$ 73,289				\$ 116	\$ 202,030
George W. Off	\$ 162,375	\$ 73,289				\$ 116	\$ 235,780
Christopher D. O'Leary	\$ 122,000	\$ 73,289				\$ 116	\$ 195,405
Mitchell H. Saranow	\$ 140,625	\$ 73,289				\$ 116	\$ 214,030
Gary L. Sugarman	\$ 123,750	\$ 73,289				\$ 116	\$ 197,155
Herbert S. Wander	\$ 158,375	\$ 73,289				\$ 116	\$ 231,780

Explanation of Columns:

(a) Includes each director unless such director is an executive officer whose compensation, including any compensation for service as a director, is fully reflected in the Summary Compensation Table. Accordingly, this includes only non-employee directors. Directors who are employees of TDS or its subsidiaries are identified in the Summary Compensation Table. Such directors do not receive director fees or compensation.

- (b) Includes the aggregate dollar amount of all fees earned or paid in cash for services as a director during 2013, including annual retainer fees, committee and/or chairperson fees, and meeting or activity fees.
- (c) The amounts in this column represent the aggregate grant date fair value of the annual stock awards granted in 2013 computed in accordance with FASB ASC 718. Pursuant to the terms of the Restated Compensation Plan for Non-Employee Directors, each non-employee director is entitled to receive an annual stock award having a value of \$80,000. Based on the closing price of the TDS Common Shares on March 1, 2013 of \$22.44, TDS did not have sufficient shares registered or listed under such plan to deliver shares having a value of \$80,000 to each of the above directors. Accordingly, as permitted by the plan, TDS issued 3,266 shares (having a value of \$73,289) to each of the above directors, and paid \$6,711 (i.e., the difference between such value and \$80,000) in cash. The cash

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payment of \$6,711 is included in column (b) above. No equity awards were outstanding at December 31, 2013.

- (d) This column is not applicable because non-employee directors do not receive options.
- (e) This column is not applicable because non-employee directors do not participate in any non-equity incentive plans, as defined by SEC rules.
- (f) This column is not applicable because non-employee directors do not participate in any pension plans or receive any earnings on deferred compensation.
- (g) Represents the dollar value of insurance premiums paid by, or on behalf of, TDS during the fiscal year with respect to life insurance for the benefit of such director, which is the only category of other compensation.
- (h) Represents the sum of all amounts reported in columns (b) through (g).

Narrative Disclosure to Director Compensation Table

The following provides additional information with respect to director compensation. All director compensation is approved by the full board of directors.

The following describes the Restated Compensation Plan for Non-Employee Directors (the "Directors Plan").

The Directors Plan provides that the Chairperson of the TDS board of directors is entitled to receive an annual director's retainer fee of \$100,000 paid in cash, and non-employee directors other than the Chairperson of the TDS board of directors are entitled to receive an annual director's retainer fee of \$80,000 paid in cash. Non-employee directors are entitled to receive an annual stock award of \$80,000 paid in the form of TDS Common Shares, which is to be distributed in March on or prior to March 15, for services performed during the 12 month period that commenced on March 1 of the immediately preceding calendar year and ended on February 28 of the calendar year of payment. The number of shares is determined on the basis of the closing price of a TDS Common Share on the first trading day in the month of March of the calendar year of payment. (However, as noted in footnote (c) to the above table, on March 1, 2013, TDS did not have sufficient shares registered or listed under the Directors Plan to deliver shares having a value of \$80,000 to each of the directors identified in the above table. Accordingly, as permitted by such plan, TDS issued shares to the extent of the available shares and paid the difference in cash).

Each non-employee director who served on the Audit Committee, other than the Chairperson, received an annual committee retainer fee of \$11,000, and the Chairperson received an annual committee retainer fee of \$22,000.

Each non-employee director who served on the Compensation Committee, other than the Chairperson, received an annual committee retainer fee of \$7,000, and the Chairperson received an annual committee retainer fee of \$14,000.

Each non-employee director who served on the Corporate Governance and Nominating Committee, other than the Chairperson, received an annual committee retainer fee of \$5,000, and the Chairperson received an annual committee retainer fee of \$10,000.

Non-employee directors also received a fee of \$1,750 for each board or committee meeting or other activity attended.

Under the Directors Plan, annual retainers were paid in cash on a quarterly basis, as of the last day of each quarter. Fees for all board and committee meetings or other activities were paid in cash on a quarterly basis, as of the last day of each quarter.

Directors were also reimbursed for reasonable travel and other expenses incurred in attending board and committee meetings, director education and other board or company related matters pursuant to TDS' travel and expense reimbursement policy.

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The Directors Plan provides that the board of directors has the authority without further shareholder approval to amend the Directors Plan from time to time, including amendments to increase the amount of the compensation payable in Common Shares from time to time, provided that the total number of Common Shares issued under the Directors Plan may not exceed the number previously approved by shareholders.

On March 8, 2013, the TDS board of directors reserved 200,000 Common Shares of TDS for issuance pursuant to the Directors Plan, and shareholders approved such shares for the Directors Plan at the 2013 annual meeting. Of such 200,000 Common Shares, 32,770 have been issued as of the date hereof.

In addition to amounts payable under the Directors Plan, TDS pays premiums to provide life insurance of \$100,000 for each of its directors other than directors who are employees of TDS or any affiliate. Directors who are employees of TDS or any affiliate do not receive fees or compensation for services rendered as directors. The compensation of directors who are named executive officers is disclosed in the tables under Executive and Director Compensation above.

None of the non-employee directors had stock or option awards outstanding at December 31, 2013.

Compensation Committee Interlocks and Insider Participation

The Compensation Committee has responsibilities relating to the compensation of the executive officers of TDS (other than executive officers employed by U.S. Cellular or any of its subsidiaries), including the review of salary, bonus, long-term incentive compensation and all other compensation. The members of the Compensation Committee are Herbert S. Wander (chairperson), George W. Off, Christopher D. O'Leary and Gary L. Sugarman. Such persons are independent, as discussed above. None of such persons was, during 2013 or during any of the preceding three years, an officer or employee of TDS (or its affiliates), or had any relationship requiring disclosure by TDS under any paragraph of Item 404 of SEC Regulation S-K.

Long-term incentive compensation for executive officers who are employees of U.S. Cellular is approved by the long-term incentive compensation committee of U.S. Cellular. The long-term incentive compensation committee of U.S. Cellular is composed of directors of U.S. Cellular who are neither officers nor employees of TDS or any of its subsidiaries nor directors of TDS or TDS Telecom. The annual compensation of U.S. Cellular's President and CEO, Kenneth R. Meyers, is approved by LeRoy T. Carlson, Jr., the Chairman of U.S. Cellular. LeRoy T. Carlson, Jr. is also the President and CEO of TDS. Mr. Carlson is a member of the board of directors of TDS, U.S. Cellular, and TDS Telecom. He is also the Chairman of TDS Telecom and, as such, approves the executive officer annual compensation decisions for TDS Telecom other than as they relate to the President and CEO of TDS Telecom, and recommends the annual compensation of the President and CEO of TDS Telecom to the TDS Compensation Committee. David A. Wittwer, deemed by SEC rules to be an executive officer of TDS, was the President and CEO of TDS Telecom in 2013. Mr. Carlson is compensated by TDS for his services to TDS and all of its subsidiaries, including U.S. Cellular. However, U.S. Cellular effectively reimburses TDS for a portion of such compensation as part of a management fee pursuant to an intercompany agreement between TDS and U.S. Cellular, as discussed above. Further information about the intercompany agreement is included in the U.S. Cellular 2014 proxy statement.

Certain Relationships and Related Transactions

In addition to the above-described insider participation in compensation decisions, TDS and certain related parties are involved in the following relationships and transactions.

The following persons are partners of Sidley Austin LLP, the principal law firm of TDS, U.S. Cellular and their subsidiaries: Walter C.D. Carlson, a trustee and beneficiary of the Voting Trust that controls TDS, which controls U.S. Cellular, the non-executive Chairman of the Board and member of the board of directors of TDS and a director of U.S. Cellular; William S. DeCarlo, the General Counsel of TDS and an Assistant Secretary of TDS and certain subsidiaries of TDS; and Stephen P. Fitzell, the General Counsel and/or an Assistant Secretary of U.S. Cellular and certain subsidiaries of TDS. Mr. Carlson does not

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provide legal services to TDS, U.S. Cellular or their subsidiaries. TDS, U.S. Cellular and their subsidiaries incurred legal expenses from Sidley Austin LLP of \$17.6 million in 2013, \$13.6 million in 2012, and \$13.7 million in 2011.

The Audit Committee of the board of directors is generally responsible for the review and evaluation of all related party transactions, as such term is defined by the rules of the NYSE, except to the extent that the board of directors authorizes another committee to review specific related party transactions. As described below, transactions and arrangements as they relate to LeRoy T. Carlson are approved by the TDS Compensation Committee.

LeRoy T. Carlson, Chairman Emeritus of TDS, is the father of LeRoy T. Carlson, Jr., a director and President and CEO of TDS, Walter C.D. Carlson, a director and non-executive Chairman of TDS, Letitia G. Carlson, M.D., a director of TDS, and Prudence E. Carlson, a director of TDS. Each of such children of LeRoy T. Carlson is also a trustee of the Voting Trust that controls TDS. Accordingly, even though he is not required to be included in the Summary Compensation Table as of December 31, 2013, because of such relationships, the following table summarizes the compensation paid by TDS in 2013 to LeRoy T. Carlson using the same rules as used in the Summary Compensation Table above. Although the following transactions and arrangements are being reported in this section as related party transactions under SEC rules, because such transactions and arrangements relate to compensation, they are approved by the TDS Compensation Committee pursuant to its charter rather than by the Audit Committee.

	<i>Amount Earned in 2013</i>
Salary(1)	\$ 480,000
Bonus(2)	134,200
Stock Awards(3)	272,552
Option Awards(4)	275,879
Excess Earnings on SERP(5)	3,820
All Other Compensation(6)	9,500
Total(7)(8)	\$ 1,175,951

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- (1) Represents the dollar value of base salary (cash and non-cash) earned by Mr. Carlson during 2013, whether or not paid in such year, none of which was deferred. Mr. Carlson's salary was changed to \$300,000 effective April 1, 2014.
- (2) Represents the dollar value of bonus (cash and non-cash) earned by Mr. Carlson during 2013, whether or not paid in such year. Mr. Carlson deferred 100% of his 2012 bonus paid in 2013.
- (3) Includes the aggregate grant date fair value computed in accordance with FASB ASC 718 of \$224,470 with respect to restricted stock unit awards relating to 10,628 Common Shares awarded in 2013 and the aggregate grant date fair value computed in accordance with FASB ASC 718 of \$48,082 with respect to phantom stock bonus match units relating to 2,187 Common Shares awarded to Mr. Carlson in 2013 in connection with deferred bonus compensation.
- (4) Represents the aggregate grant date fair value computed in accordance with FASB ASC 718 with respect to stock options to purchase 39,382 Common Shares awarded in 2013.
- (5) See explanation under footnote (h) to the Summary Compensation Table above.
- (6)

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This represents a TDSP contribution for 2013. No other compensation is included because the total of perquisites and personal benefits for Mr. Carlson did not equal or exceed \$10,000, and TDS did not make any contributions for the benefit of Mr. Carlson under the Pension Plan or SERP with respect to 2013.

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- (7) See the above "Executive and Director Compensation" section for a discussion of the terms of stock awards and options awarded in 2013, and information about other benefits and plans available to executive officers, including Mr. Carlson.
- (8) In addition, TDS has entered into an agreement, as amended, with LeRoy T. Carlson whereby it will employ Mr. Carlson until he elects to retire from TDS. Mr. Carlson is to be paid at least \$60,000 per annum until his retirement. The agreement also provides that upon his retirement, Mr. Carlson will be retained by TDS as a part-time consultant (for not more than 60 hours in any month) until his death. Upon his retirement, Mr. Carlson will receive \$75,000 per annum as a consultant, plus increments beginning in 1985 equal to the greater of three percent of his consulting fee or two-thirds of the percentage increase in the consumer price index for the Chicago metropolitan area. If Mr. Carlson becomes disabled before retiring, TDS can elect to discontinue his employment and retain him in accordance with the consulting arrangement described above. Upon Mr. Carlson's death (unless his death follows his voluntary termination of the consulting arrangement), his widow will receive until her death an amount equal to that which Mr. Carlson would have received as a consultant. TDS may terminate payments under the agreement if Mr. Carlson becomes the owner of more than 21% of the stock, or becomes an officer, director, employee or paid agent, of any competitor of TDS within the continental United States. No amounts have ever been paid or become payable under this agreement. Any amounts that become payable under this agreement may be subject to the six-month payment delay required by section 409A of the Internal Revenue Code. Pursuant to this agreement, Mr. Carlson would receive approximately \$179,000 in 2014 assuming he began receiving such payments after December 31, 2013. This amount represents \$75,000, plus increments beginning in 1985 equal to the greater of three percent of his consulting fee or two-thirds of the percentage increase in the consumer price index for the Chicago metropolitan area through 2013. This amount would increase on an annual basis at December 31, 2014 and each year thereafter at increments equal to the greater of three percent of his consulting fee or two-thirds of the percentage increase in the consumer price index for the Chicago metropolitan area until such payments ceased pursuant to the foregoing agreement. Reference is made to TDS' Registration Statement on Form S-2 (No. 2-92307) for a copy of this agreement and to TDS' Form 8-K dated December 22, 2009 for an amendment to this agreement.

Table of Contents**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table provides information regarding TDS Common Shares that could have been issued under equity compensation plans maintained by TDS based on information as of December 31, 2013.

<i>Plan Category</i>	<i>(a) Number of securities to be issued upon the exercise of outstanding options and rights</i>	<i>(b) Weighted-average exercise price of outstanding options and rights</i>	<i>(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</i>
Equity compensation plans approved by security holders(1):			
TDS Common Shares	9,674,783	\$ 30.74	2,696,653
Equity compensation plans not approved by security holders:			N/A
Total:			
TDS Common Shares	9,674,783	\$ 30.74	2,696,653

Explanation of Columns:

- (a) Represents the number of securities to be issued upon the exercise of outstanding options or pursuant to unvested restricted stock units and vested and unvested phantom stock units.
- (b) Represents the weighted-average exercise price of all outstanding options, warrants and rights. Restricted stock units and phantom stock units do not have any exercise price.
- (c) Represents the number of securities remaining available for future issuance under the plan, other than securities to be issued upon the exercise of outstanding options or pursuant to restricted stock units and phantom stock units disclosed in column (a).

Footnotes:

- (1) This includes the following plans that have been approved by TDS shareholders:

<i>Plan</i>	<i>Number of securities to be issued upon the</i>	<i>Number of securities remaining available for</i>	<i>Total</i>
-------------	---	---	--------------

	<i>exercise of outstanding options and rights</i>	<i>future issuance (excluding securities reflected in prior column)</i>	
2011 Long-Term Incentive Plan:			
TDS Common Shares	3,413,016	2,496,653	5,909,669
2004 Long-Term Incentive Plan:			
TDS Common Shares	6,261,767		6,261,767
Compensation Plan for Non-Employee Directors:			
TDS Common Shares		200,000	200,000
Total:			
TDS Common Shares	9,674,783	2,696,653	12,371,436

The above is based on information as of December 31, 2013 and does not reflect any changes or additions after that date.

See Note 16 Stock-Based Compensation, in the notes to the consolidated financial statements included in the 2013 Annual Report for certain information about these plans.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

On February 28, 2014, TDS had outstanding and entitled to vote 101,595,907 Common Shares, par value \$.01 per share (excluding 22,939,080 Common Shares held by TDS and 1,010,133 Common Shares held by a subsidiary of TDS), and 7,166,078 Series A Common Shares, par value \$.01 per share (collectively representing a total of 108,761,985 shares of common stock); and 8,240 Preferred Shares, par value \$.01 per share.

In matters other than the election of directors, each of the Preferred Shares is entitled to one vote, each of the Series A Common Shares is entitled to ten votes and each of the Common Shares is entitled to a vote per share that floats. The total voting power of the Series A Common Shares was 71,660,780 votes at February 28, 2014 with respect to matters other than the election of directors. The total voting power of the Common Shares was 54,690,010 votes at February 28, 2014 with respect to matters other than the election of directors. The total voting power of all outstanding shares of all classes of capital stock was 126,359,030 votes at February 28, 2014 with respect to matters other than the election of directors, including 8,240 votes by holders of Preferred Shares.

For purposes of the following tables, percentages are calculated pursuant to SEC Rule 13d-3(d)(1). Under such rule, shares underlying options that are currently exercisable or exercisable within 60 days after February 28, 2014, restricted stock units that become vested within 60 days after February 28, 2014 and vested phantom stock units are deemed to be outstanding for the purpose of calculating the number of shares owned and percentages of shares and voting power with respect to the person holding such options, restricted stock units or phantom stock units, but are not deemed to be outstanding for the purpose of calculating the percentages of shares or voting power of other persons.

Security Ownership of Management

The following table sets forth as of February 28, 2014, or the latest practicable date, the number of Common Shares and Series A Common Shares beneficially owned, and the percentage of the outstanding shares of each such class so owned, by each director of TDS, by each of the executive officers named below and by all directors and executive officers as a group. As of February 28, 2014, none of the directors or executive officers of TDS beneficially owned Preferred Shares. If a class of

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common stock is not indicated for an individual or group, no shares of such class are beneficially owned by such individual or group.

<i>Name of Individual or Number of Persons in Group</i>	<i>Title of Class or Series</i>	<i>Amount and Nature of Beneficial Ownership(1)</i>	<i>Percent of Class or Series</i>	<i>Percent of Shares of Common Stock</i>	<i>Percent of Voting Power(2)</i>
LeRoy T. Carlson, Jr., Walter C.D. Carlson, Letitia G. Carlson, M.D. and Prudence E. Carlson(3)	Common Shares Series A Common Shares	6,112,018 6,790,328	6.0% 94.8%	5.6% 6.2%	2.6% 53.7%
LeRoy T. Carlson(4)(11)	Common Shares Series A Common Shares	609,206 64,139	* *	* *	* *
LeRoy T. Carlson, Jr.(5)(11)	Common Shares Series A Common Shares	1,948,072 20,744	1.9% *	1.8% *	* *
Walter C.D. Carlson(6)(9)	Common Shares Series A Common Shares	31,503 1,061	* *	* *	* *
Letitia G. Carlson, M.D.(7)(9)	Common Shares Series A Common Shares	21,883 1,146	* *	* *	* *
Prudence E. Carlson(8)(9)	Common Shares Series A Common Shares	53,006 195,624	* 2.7%	* *	* 1.5%
Kenneth R. Meyers(11)(12)	Common Shares	653,909	*	*	*
Donald C. Nebergall(9)(10)	Common Shares Series A Common Shares	25,189 1,271	* *	* *	* *
Herbert S. Wander(9)	Common Shares	22,141	*	*	*
George W. Off(9)	Common Shares	24,782	*	*	*
Christopher D. O'Leary(9)	Common Shares	16,111	*	*	*
Mitchell H. Saranow(9)	Common Shares	11,361	*	*	*
Clarence A. Davis(9)(13)	Common Shares	9,387	*	*	*
Gary L. Sugarman(9)	Common Shares	12,675	*	*	*
Douglas D. Shuma(11)	Common Shares	45,898	*	*	*
C. Theodore Herbert(11)	Common Shares	349,801	*	*	*
Scott H. Williamson(11)	Common Shares	555,633	*	*	*
David A. Wittwer(11)	Common Shares	457,560	*	*	*
Other executive officers(11)(14)	Common Shares	422,793	*	*	*
All directors and executive officers as a group (20 persons)(9)(11)	Common Shares Series A Common Shares	11,382,928 7,074,313	10.7% 98.7%	10.0% 6.5%	4.8% 56.0%

*

Less than 1%

- (1) The nature of beneficial ownership for shares in this column is sole voting and investment power, except as otherwise set forth in these footnotes. Except with respect to customary brokerage agreement terms, none of the above shares are pledged as security, unless otherwise specified. Includes shares as to which voting and/or investment power is shared, and/or shares held by spouse and/or children.
- (2) Represents the percent of voting power in matters other than the election of directors.
- (3) The shares listed are held by the persons named as trustees under the TDS Voting Trust which expires June 30, 2035, created to facilitate long-standing relationships among the trust certificate holders. The trustees share voting and investment power. The address of the trustees of the TDS Voting Trust in their capacities as such is c/o LeRoy T. Carlson, Jr., Telephone and Data Systems, Inc., 30 N. LaSalle St., Suite 4000, Chicago, IL 60602. Under the terms of the TDS Voting Trust, the trustees hold and vote the Common Shares and Series A Common Shares held in the trust. If the TDS Voting Trust were terminated, the following individuals, directly or indirectly with their spouses, would each be deemed to own beneficially more than 5% of the outstanding Series A Common Shares: LeRoy T. Carlson, Jr., Walter C.D. Carlson, Prudence E. Carlson and Letitia G. Carlson, M.D. The above numbers of shares and percentages do not assume conversion of the Series A Common Shares because the trustees have advised TDS that the TDS Voting Trust has no current intention of converting its Series A Common Shares.

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- (4) Includes 10,101 Common Shares and 64,139 Series A Common Shares held by Mr. Carlson's wife. Does not include 29,543 Common Shares and 36,679 Series A Common Shares held for the benefit of LeRoy T. Carlson or 192,439 Common Shares and 210,158 Series A Common Shares held for the benefit of Mr. Carlson's wife (an aggregate of 221,982 Common Shares, or 0.2% of class, and 246,837 Series A Common Shares, or 3.4% of class) in the TDS Voting Trust described in footnote (3).
- (5) Includes 518 Common Shares and 297 Series A Common Shares held by Mr. Carlson's wife outside of the TDS Voting Trust. Also includes 3,768 Common Shares held by Mr. Carlson's children and 78,943 Common Shares and 11,424 Series A Common Shares held in a trust, the beneficiaries of which include the descendants of Mr. Carlson.
- Common Shares in TDS Voting Trust. Does not include 1,820,712 Common Shares (1.8% of class) held in the TDS Voting Trust described in footnote (3) for the benefit of LeRoy T. Carlson, Jr., his spouse and/or their descendants (individually or through family partnerships, grantor retained annuity trusts, custodial arrangements and otherwise), of which (i) 419,782 Common Shares are held for the benefit of LeRoy T. Carlson, Jr., and (ii) 686,686 Common Shares (0.7% of class) are held by a family partnership for the benefit of descendants and family members of LeRoy T. Carlson and his spouse, of which LeRoy T. Carlson, Jr. is a general partner.
- Series A Common Shares in TDS Voting Trust. Does not include 1,983,685 Series A Common Shares (27.7% of class) held in the TDS Voting Trust described in footnote (3) for the benefit of LeRoy T. Carlson, Jr., his spouse and/or their descendants (individually or through family partnerships, grantor retained annuity trusts, custodial arrangements and otherwise), of which (i) 3,244 Series A Common Shares are held for the benefit of LeRoy T. Carlson, Jr., and (ii) 747,990 Series A Common Shares (10.4% of class) are held by a family partnership for the benefit of descendants and family members of LeRoy T. Carlson and his spouse, of which LeRoy T. Carlson, Jr. is a general partner.
- (6) Common Shares in TDS Voting Trust. Does not include 1,916,712 Common Shares (1.9% of class) held in the TDS Voting Trust described in footnote (3) for the benefit of Walter C.D. Carlson, his spouse and/or their descendants (individually or through family partnerships, grantor retained annuity trusts, custodial arrangements and otherwise), of which (i) 1,102,459 Common Shares are held for the benefit of Walter C.D. Carlson, and (ii) 686,686 Common Shares (0.7% of class) are held by a family partnership for the benefit of descendants and family members of LeRoy T. Carlson and his spouse, of which Walter C.D. Carlson is a general partner.
- Series A Common Shares in TDS Voting Trust. Does not include 2,189,984 Series A Common Shares (30.6% of class) held in the TDS Voting Trust described in footnote (3) for the benefit of Walter C.D. Carlson, his spouse and/or their descendants (individually or through family partnerships, grantor retained annuity trusts, custodial arrangements and otherwise), of which (i) 602,757 Series A Common Shares are held for the benefit of Walter C.D. Carlson, and (ii) 747,990 Series A Common Shares (10.4% of class) are held by a family partnership for the benefit of descendants and family members of LeRoy T. Carlson and his spouse, of which Walter C.D. Carlson is a general partner.
- (7) Common Shares in TDS Voting Trust. Does not include 1,841,034 Common Shares (1.8% of class) held in the TDS Voting Trust described in footnote (3) for the benefit of Letitia G. Carlson, M.D., her spouse and/or their descendants (individually or through family partnerships, grantor retained annuity trusts, custodial arrangements and otherwise), of which (i) 526,093 Common Shares are held for the benefit of Letitia G. Carlson, M.D., and (ii) 686,686 Common Shares (0.7% of class) are held by a family partnership for the benefit of descendants and family members of LeRoy T. Carlson and his spouse, of which Letitia G. Carlson, M.D. is a general partner.
- Series A Common Shares in TDS Voting Trust. Does not include 2,010,855 Series A Common Shares (28.1% of class) held in the TDS Voting Trust described in footnote (3) for the benefit of Letitia G. Carlson, M.D., her spouse and/or their descendants (individually or through family partnerships, grantor retained annuity trusts, custodial arrangements and otherwise), of which (i) 1,125,309 Series A Common Shares are held for the benefit of Letitia G. Carlson, M.D., and (ii) 747,990 Series A Common Shares (10.4% of class) are held by a family partnership for the benefit of descendants and family members of LeRoy T. Carlson and his spouse, of which Letitia G. Carlson, M.D. is a general partner.
- (8) Common Shares in TDS Voting Trust. Does not include 1,721,706 Common Shares (1.7% of class) held in the TDS Voting Trust described in footnote (3) for the benefit of Prudence E. Carlson, her spouse and/or their descendants (individually or through family partnerships, grantor retained annuity trusts, custodial arrangements and otherwise), of which (i) 999,227 Common Shares are held for the benefit of Prudence E. Carlson, and (ii) 686,686 Common Shares (0.7% of class) are held by a family partnership for the benefit of descendants and family members of LeRoy T. Carlson and his spouse, of which Prudence E. Carlson is a general partner.

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Series A Common Shares in TDS Voting Trust. Does not include 1,872,783 Series A Common Shares (26.1% of class) held in the TDS Voting Trust described in footnote (3) for the benefit of Prudence E. Carlson, her spouse and/or their descendants (individually or through family partnerships, grantor retained annuity trusts, custodial arrangements and otherwise), of which 747,990 Series A Common Shares (10.4% of class) are held by a family partnership for the benefit of descendants and family members of LeRoy T. Carlson and his spouse, of which Prudence E. Carlson is a general partner.

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- (9) Includes Common Shares earned pursuant to the Non-Employee Directors' Plan as of February 28, 2014 that were issued in March 2014.
- (10) Does not include shares held in the TDS Voting Trust, which are included in the shares described in footnote (3), that are reported by the TDS Voting Trust: 321 Common Shares and 346 Series A Common Shares held for the benefit of Donald C. Nebergall; 1,519 Common Shares and 1,639 Series A Common Shares held for the benefit of Mr. Nebergall's wife; 494,115 Common Shares (0.5% of class) and 533,603 Series A Common Shares (7.4% of class) held by Mr. Nebergall as trustee under trusts ("Trusts") for the benefit of the heirs of LeRoy T. Carlson (Chairman Emeritus of TDS) and his wife, Margaret D. Carlson, which heirs include LeRoy T. Carlson, Jr. (director and President and CEO of TDS), Walter C.D. Carlson (director and non-executive Chairman of the TDS Board), Letitia G. Carlson, M.D. (director of TDS), Prudence E. Carlson (director of TDS) and/or their heirs. In addition, Mr. Nebergall holds 46 Common Shares for the Trusts outside of the TDS Voting Trust. All shares held under the Trusts are held by Mr. Nebergall as a trustee in a fiduciary capacity, and he has no beneficial interest in such shares. Since the creation of the Trusts, Mr. Nebergall has withdrawn \$1,000 per year from each trust in compensation for his services as trustee. These are not arrangements with or compensation from TDS or any other member of the TDS consolidated group.
- (11) Includes the following number of Common Shares that may be acquired pursuant to stock options and/or restricted stock units which are currently vested or will vest within 60 days after February 28, 2014: LeRoy T. Carlson, 361,186 shares; LeRoy T. Carlson, Jr., 1,742,518 shares; Kenneth R. Meyers, 563,742 shares; Douglas D. Shuma, 29,633 shares; C. Theodore Herbert, 257,346 shares; Scott H. Williamson, 530,670 shares; David A. Wittwer, 439,908 shares; all other executive officers as a group, 393,977 shares; and all directors and executive officers as a group, 4,318,980 shares. Includes the following number of Common Shares underlying vested phantom stock units: LeRoy T. Carlson, 133,432 shares; LeRoy T. Carlson, Jr., 62,861 shares; Kenneth R. Meyers, 24,741 shares; Douglas D. Shuma, 5,657 shares; C. Theodore Herbert, -0- shares; Scott H. Williamson, -0-shares; David A. Wittwer, -0- shares; all other executive officers as a group, -0- shares; and all directors and executive officers as a group, 226,691 shares.
- (12) Includes 1,043 Common Shares held by Mr. Meyers' wife.
- (13) Mr. Davis is a director of the Gabelli SRI Green Fund and the Gabelli GDL Fund. The above does not include TDS shares owned by such funds, if any. As of the latest available information, neither the Gabelli SRI Green Fund nor the Gabelli GDL Fund owned any TDS shares.
- (14) Includes shares held by the executive officers who are not specifically identified in the above table: Peter L. Sereda, Kurt B. Thaus, and Joseph R. Hanley.

Table of Contents**Security Ownership by Certain Beneficial Owners**

In addition to persons listed in the preceding table and the footnotes thereto, the following table sets forth as of February 28, 2014 or the latest practicable date, information regarding each person who is known to TDS to own beneficially more than 5% of any class of voting securities of TDS, based on publicly available information and TDS' stock records as of such date. Some of the information below is based on reports filed by the below shareholders reporting TDS shares held as of December 31, 2013 and, in the absence of any SEC filings indicating otherwise, it was assumed that there was no change to such information between December 31, 2013 and February 28, 2014.

<i>Shareholder's Name and Address</i>	<i>Title of Class or Series</i>	<i>Amount and Nature of Beneficial Ownership(1)</i>	<i>Percent of Class or Series</i>	<i>Percent of Shares of Common Stock</i>	<i>Percent of Voting Power(2)</i>
BlackRock, Inc. 40 East 52nd Street New York, NY 10022(3)	Common Shares	10,328,963	10.2%	9.5%	4.4%
GAMCO Investors, Inc. One Corporate Center Rye, NY 10580(4)	Common Shares	8,264,148	8.1%	7.6%	3.5%
State Street Corporation One Lincoln Street Boston, MA 02111(5)	Common Shares	6,945,893	6.8%	6.4%	3.0%
The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355(6)	Common Shares	6,278,682	6.2%	5.8%	2.7%

- (1) The nature of beneficial ownership for shares in this column is sole voting and investment power, except as otherwise set forth in these footnotes.
- (2) Represents the percent of voting power in matters other than the election of directors.
- (3) Based on the most recent Schedule 13G (Amendment No. 5) filed with the SEC, BlackRock, Inc. and its affiliates report sole investment and voting authority with respect to an aggregate of 10,328,963 Common Shares.
- (4) Based on the most recent Schedule 13D (Amendment No. 34) filed with the SEC, GAMCO Investors, Inc. and its affiliates report sole voting authority with respect to an aggregate of 8,264,148 Common Shares, and sole investment authority with respect to an aggregate of 7,872,485 Common Shares. See "Background of Recent Events" above.
- (5) Based on the most recent Schedule 13G filed with the SEC, State Street Corporation reports shared investment and voting authority with respect to an aggregate of 6,945,893 Common Shares.
- (6) Based on the most recent Schedule 13G filed with the SEC, The Vanguard Group reports sole voting authority with respect to 61,336 Common Shares, sole investment authority with respect to 6,224,246 Common Shares, and shared investment authority with respect to 54,436 Common Shares.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16 of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder require TDS' directors and officers, and persons who are deemed to own more than ten percent of the Common Shares, to file certain reports with the SEC with respect to their beneficial ownership of Common Shares. The reporting persons are also required to furnish TDS with copies of all such reports they file.

Based on a review of copies of such reports furnished to TDS by the reporting persons and written representations by directors and officers of TDS, TDS believes that all filing requirements under Section 16 of the Securities Exchange Act applicable to the reporting persons during and with respect to 2013 were complied with on a timely basis.

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CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

See "Executive and Director Compensation Compensation Committee Interlocks and Insider Participation" above.

SHAREHOLDER PROPOSALS FOR 2015 ANNUAL MEETING

The 2015 Annual Meeting is currently scheduled for [], 2015, and the proxy statement for such meeting is expected to be dated on or about [], 2015.

Pursuant to SEC Rule 14a-8, proposals by shareholders intended to be included in TDS' proxy statement and form of proxy relating to the 2015 Annual Meeting must be received by TDS at its principal executive offices not later than [], 2014 (120 calendar days before the anniversary date of this 2014 Proxy Statement of [], 2014). However, if the date of the 2015 Annual Meeting changes for any reason by more than 30 calendar days from [], 2015 (the one year anniversary date of the 2014 Annual Meeting), then the deadline will be a reasonable time before TDS begins to print and send its proxy materials. In such event, TDS would disclose such date in a Form 8-K, 10-Q or 10-K at the appropriate time.

In addition, pursuant to TDS' Bylaws, proposals by shareholders intended to be presented at the 2015 Annual Meeting (other than proposals included in TDS' proxy statement and form of proxy relating to the 2015 Annual Meeting pursuant to SEC Rule 14a-8), must be received by TDS at its principal executive offices not earlier than [], 2015 and not later than [], 2015 for consideration at the 2015 Annual Meeting (120 calendar days and 90 calendar days, respectively, before the anniversary date of the 2014 Annual Meeting of [], 2014, except that, because the 90th day falls on a weekend, the deadline pursuant to the TDS Bylaws is the immediately preceding Friday). However, if the date of the 2015 Annual Meeting is changed by more than 30 calendar days before or after [], 2015 (the one year anniversary date of the 2014 Annual Meeting), different provisions will apply as set forth in the TDS Bylaws.

Pursuant to SEC rules, the proxy solicited by the board of directors for the 2015 Annual Meeting will confer discretionary authority to vote on any matter that may properly come before such meeting or any adjournment thereof to the extent permitted by applicable law and regulation.

SOLICITATION OF PROXIES

Proxies are being solicited by your board of directors and its agents, and the cost of solicitation will be paid by TDS. Officers, directors and regular employees of TDS, acting on behalf of the TDS board of directors, may also solicit proxies by mail, email, advertisement, telephone, telecopy, press release, employee communication, postings on TDS' Internet website and intranet website or in person. We will not pay such persons additional compensation for their proxy solicitation efforts. TDS will, at its expense, request brokers and other custodians, nominees and fiduciaries to forward proxy soliciting material to the beneficial owners of shares held of record by such persons. TDS has also retained MacKenzie Partners, Inc. to assist in the solicitation of proxies. The standard fee charged by MacKenzie Partners, Inc. for proxy solicitation in connection with an uncontested Annual Meeting is \$10,000 plus reimbursement of out-of-pocket expenses. TDS expects to pay MacKenzie Partners, Inc. a fee of approximately \$[] relating to the solicitation of proxies for the contested election of directors in 2014. It is anticipated that MacKenzie Partners, Inc. will employ approximately [] persons to solicit proxies for the 2014 Annual Meeting.

Our expenses related to the solicitation, including expenditures for printing, legal, accounting, public relations, soliciting, advertising and related expenses, including the above fees of MacKenzie Partners, Inc., in excess of those normally spent for an annual meeting with an uncontested director election and excluding salaries and wages of our regular employees and officers, are currently expected to be approximately \$[], of which approximately \$[] has been spent to date.

Certain information about the directors and certain officers and employees of TDS who may solicit proxies is set forth in the attached Schedule I, which is incorporated by reference herein. Schedule II,

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attached hereto, sets forth certain additional information with respect to such persons and is also incorporated by reference herein.

FINANCIAL AND OTHER INFORMATION

We will furnish you or any shareholder as of the record date without charge a copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2013, including the financial statements and the schedules thereto, upon written or oral request, and will provide copies of the exhibits to any such documents upon payment of a reasonable fee which shall not exceed our reasonable expenses incurred to do so. Requests for such materials should be directed to Investor Relations, Telephone and Data Systems, Inc., 30 North LaSalle Street, 40th Floor, Chicago, Illinois 60602, telephone (312) 630-1900.

In addition, to the extent that, as permitted by SEC rules, TDS delivers only one copy of an annual report to shareholders, proxy statement or notice of internet availability of proxy materials to an address that is shared by separate persons who are shareholders (addressed to such shareholders as a group), TDS shall deliver promptly additional copies of any of such documents without charge to any shareholder located at such shared address upon written or oral request by such shareholder. Requests should be directed as indicated in the preceding paragraph.

FORWARD LOOKING STATEMENTS

This 2014 Proxy Statement includes statements of judgment and forward-looking statements that involve risks and uncertainties. These forward-looking statements are based on our current expectations, estimates and projections about our industry, our business, compensation, management's beliefs, and certain assumptions made by us, all of which are subject to change. Forward-looking statements can often be identified by words such as "anticipates," "expects," "intends," "plans," "predicts," "believes," "seeks," "estimates," "may," "will," "should," "would," "could," "potential," "continue," "ongoing," or similar expressions, and variations or negatives of these words and include, but are not limited to, statements regarding projected performance and compensation. Actual results could differ significantly from those projected in the forward-looking statements as a result of certain factors, including, but not limited to, the risk factors discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013. We assume no obligation to update the forward-looking statements.

OTHER BUSINESS

It is not anticipated that any action will be asked of the shareholders other than those set forth above, but if other matters are properly brought before the 2014 Annual Meeting, the persons named in the proxy will vote in accordance with their best judgment.

By order of the Board of Directors
Jane W. McCahon
*Vice President Corporate Relations and Corporate
Secretary*

All shareholders are urged to sign, date and mail their proxy card(s) promptly or vote by phone or on the Internet in accordance with the instructions set forth on the WHITE proxy card(s).

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EXHIBIT A

**AMENDMENT NUMBER ONE
TO THE
TELEPHONE AND DATA SYSTEMS, INC.
2011 LONG-TERM INCENTIVE PLAN**

WHEREAS, Telephone and Data Systems, Inc., a Delaware corporation (the "Company") has adopted and maintains the Telephone and Data Systems, Inc. 2011 Long-Term Incentive Plan (the "Plan") for the benefit of certain employees;

WHEREAS, pursuant to Section 8.2 of the Plan, the Board of Directors of the Company (the "Board") may amend the Plan as it shall deem advisable, subject to any requirement of shareholder approval and any rule of the principal national stock exchange on which the Common Shares of the Company (the "Common Shares") are then traded;

WHEREAS, 6,000,000 Common Shares initially were authorized for issuance under the Plan; and

WHEREAS, the Board desires to amend the Plan to authorize 5,000,000 additional Common Shares for issuance under the Plan, subject to approval of such amendment by the shareholders of the Company at the Company's 2014 annual meeting of shareholders (the "2014 Annual Meeting").

NOW, THEREFORE, BE IT RESOLVED, that subject to approval by the shareholders of the Company at the 2014 Annual Meeting, Section 3.3(a) of the Plan hereby is amended in its entirety to read as follows, effective upon such shareholder approval:

(a) Subject to adjustment as provided in Section 8.8, 11,000,000 shares of Common Stock shall be available under the Plan, of which (i) no more than 6,000,000 shares of Common Stock in the aggregate may be issued under the Plan in connection with Incentive Stock Options and (ii) no more than 300,000 shares of Common Stock in the aggregate may be issued under the Plan in connection with Bonus Stock Awards. Such shares shall be reduced by the sum of the aggregate number of shares of Common Stock then subject to outstanding awards under the Plan.

* * * * *

IN WITNESS WHEREOF, the undersigned has executed this Amendment Number One as of this _____ day of _____, 2014.

TELEPHONE AND DATA SYSTEMS, INC.

By: _____

Its: _____

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EXHIBIT B

**TELEPHONE AND DATA SYSTEMS, INC.
2011 LONG-TERM INCENTIVE PLAN**

ARTICLE I

PURPOSE

The purposes of this Telephone and Data Systems, Inc. 2011 Long-Term Incentive Plan (the "Plan") are (i) to align the interests of the stockholders of the Company and recipients of awards under this Plan by increasing the proprietary interest of such recipients in the Company's growth and success, (ii) to advance the interests of the Company by attracting and retaining officers and other employees of the Company and certain of its Affiliates, and (iii) to motivate such persons to act in the long-term best interests of the Company and its stockholders. As of the effective date of the Plan, no further awards shall be granted under a Prior Plan, except with respect to annual bonus deferrals and related employer match awards for calendar years commencing prior to January 1, 2013.

ARTICLE II

DEFINITIONS

For purposes of the Plan, the following capitalized terms shall have the meanings set forth in this Article.

2.1 "Account Balance Plan" shall mean an "account balance plan" within the meaning of Treasury Regulation §1.409A-1(c)(2)(i)(A) (whether elective or non-elective in nature) maintained by an Employer or any affiliate thereof. "Affiliate" for this purpose shall mean (i) a corporation that is a member of the same controlled group of corporations (within the meaning of section 414(b) of the Code) as an Employer or (ii) a trade or business (whether or not incorporated) under common control (within the meaning of section 414(c) of the Code) with an Employer. An Account Balance Plan shall include, without limitation, (i) the deferral program set forth in Article VII, (ii) the interest-bearing deferral arrangements maintained by the Company and TDS Telecommunications Corporation; (iii) the Company's Supplemental Executive Retirement Plan; (iv) the United States Cellular Corporation Executive Deferred Compensation Interest Account Plan and (v) the deferral arrangement maintained by United States Cellular Corporation under its Long-Term Incentive Plan.

2.2 "Affiliate" shall mean (i) a Person owning, directly or indirectly, the combined voting power of all classes of capital stock of the Company that is sufficient to elect at least a majority of the members of the Board, or (ii) a Person of which the Company, directly or indirectly, owns or controls shares or securities or other interests having combined voting power sufficient to permit the Company to elect at least a majority of the members of the board of directors or other governing body of such Person.

2.3 "Agreement" shall mean a written or electronic agreement between the Company and an award recipient evidencing an award granted hereunder.

2.4 "Board" shall mean the board of directors of the Company.

2.5 "Bonus Stock" shall mean shares of Common Stock awarded hereunder that are not subject to a Restriction Period or Performance Measures.

2.6 "Bonus Stock Award" shall mean an award of Bonus Stock.

2.7 "Bonus Year" shall mean each calendar year commencing on or after January 1, 2013 for which an annual bonus is payable. For the avoidance of doubt, any annual bonus deferral and related employer match award with respect to bonus years commencing prior to January 1, 2013 shall be governed by the terms of the Telephone and Data Systems, Inc. 2004 Long-Term Incentive Plan, as amended and restated.

2.8 "Change in Control" shall have the meaning set forth in Section 8.9.

2.9 "Code" shall mean the Internal Revenue Code of 1986, as amended.

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2.10 "Committee" shall mean a committee designated by the Board, consisting of two or more members of the Board, each of whom may be (i) an "outside director" within the meaning of section 162(m) of the Code and (ii) a "Non-Employee Director" within the meaning of Rule 16b-3 under the Exchange Act.

2.11 "Common Stock" shall mean the class of shares of the Company designated as "Common Shares" in its Restated Certificate of Incorporation.

2.12 "Company" shall mean Telephone and Data Systems, Inc., a Delaware corporation, or any successor thereto.

2.13 "Deferred Compensation Account" shall mean a book reserve maintained by the Company for the purpose of measuring the amount of deferred compensation payable to an employee under Article VII of the Plan.

2.14 "Disability" shall mean, solely for purposes of Article VII of the Plan, a total physical disability which, in the Committee's judgment, prevents an award recipient from performing substantially such award recipient's employment duties and responsibilities for a continuous period of at least six months.

2.15 "Distributable Balance" shall mean the portion of an employee's Deferred Compensation Account that is nonforfeitable.

2.16 "Employer" shall mean the Company or any Affiliate designated by the Committee and approved by the Board.

2.17 "Employer Match Award" shall mean an amount credited to an employee's Deferred Compensation Account pursuant to Section 7.2 that is based upon the amount deferred by the employee pursuant to Section 7.1.

2.18 "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

2.19 "Fair Market Value" of a share of Common Stock shall mean its closing sale price on the principal national stock exchange on which the Common Stock is traded on the date as of which such value is being determined, or, if there shall be no reported sale for such date, on the next preceding date for which a sale was reported; *provided, however*, that if the Common Stock is not listed on a national stock exchange or if Fair Market Value for any date cannot be so determined, Fair Market Value shall be determined by the Committee by whatever means or method as the Committee, in the good faith exercise of its discretion, shall at such time deem appropriate and in compliance with section 409A of the Code.

2.20 "Incentive Stock Option" shall mean an option to purchase shares of Common Stock that meets the requirements of section 422 of the Code (or any successor provision) and that is designated as intended to constitute an incentive stock option.

2.21 "Legal Representative" shall mean a guardian, legal representative or other Person acting in a similar capacity with respect to an award holder.

2.22 "Newly Eligible Employee" shall mean an employee who (i) newly is eligible to participate in the deferral program set forth in Article VII and (ii) was not, at any time during the 24-month period ending on the date on which he or she became eligible to participate in such deferral program, eligible to participate in an Account Balance Plan (irrespective of whether such employee in fact elected to participate in such plan). For this purpose, an employee is not eligible to participate in an Account Balance Plan solely on account of the accrual of interest or earnings on amounts previously deferred thereunder.

2.23 "Non-Qualified Stock Option" shall mean an option to purchase shares of Common Stock that is not an Incentive Stock Option.

2.24 "Officer" shall mean an employee who is designated as an officer of an Employer by the board of directors of the Employer or by the By-laws of the Employer.

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2.25 "Performance Measures" shall mean criteria and objectives established by the Committee that must be attained (i) as a condition to the grant or exercisability of certain Stock Options or SARs, (ii) as a condition to the grant of certain Stock Awards or (iii) during the applicable Restriction Period or Performance Period as a condition to (A) in the case of certain Restricted Stock Awards, the vesting of the award recipient's interest in the Common Stock subject to such awards or (B) in the case of certain Restricted Stock Unit Awards or Performance Share Awards, the award recipient's receipt of the Common Stock subject to such awards or the cash amount payable with respect to such awards (or a combination thereof). In the case of an award intended to be "qualified performance-based compensation" within the meaning of section 162(m) of the Code and the regulations thereunder, to the extent necessary to so qualify, such criteria and objectives shall be any one or more of the following corporate-wide or subsidiary, division, operating unit or individual measures, stated in either absolute or relative terms: the attainment by a share of Common Stock of a specified Fair Market Value for a specified period of time; earnings per share; return to stockholders (including dividends); return on assets; return on equity; return on capital; earnings before or after taxes and/or interest; return on investments; interest expense; cash flows; revenues; sales; costs; expenses; economic value created; operating margin; gross margin; net income before or after taxes; pretax earnings before interest, depreciation and/or amortization; operating earnings either before or after interest expense and either before or after incentives; market share; attainment of cost reduction goals; customer count; cost per gross or net customer addition; revenue per customer; customer turnover rate; return on operating costs; ratios of employees to volume of business measures and population in licensed or operating markets; financing costs; ratios of capital spending and investment to volume of business measures; and strategic business criteria, consisting of one or more objectives based on meeting specified market penetration, geographic business expansion goals, cost targets, customer satisfaction, reductions in errors and omissions, reductions in lost business, management of employment practices and employee benefits, supervision of litigation and information technology, quality and quality audit scores, and goals relating to acquisitions or divestitures or any combination thereof. Subject to section 162(m) of the Code with respect to an award that is intended to be "qualified performance-based compensation," the Committee, in its sole discretion, may amend or adjust the Performance Measures or other terms and conditions of an outstanding award in recognition of unusual or nonrecurring events affecting the Company or its financial statements or changes in law or accounting principles.

2.26 "Performance Period" shall mean a period designated by the Committee during which (i) Performance Measures applicable to an award shall be measured and (ii) the conditions to vesting applicable to an award shall remain in effect.

2.27 "Performance Share" shall mean a right, contingent upon the attainment of specified Performance Measures within a specified Performance Period, to receive one share of Common Stock, which may be Restricted Stock, or, in lieu thereof, the Fair Market Value of one share of Common Stock in cash.

2.28 "Performance Share Award" shall mean an award of Performance Shares.

2.29 "Permitted Transferee" shall mean (i) the award recipient's spouse or former spouse, (ii) any of the award recipient's children, stepchildren, grandchildren, parents, stepparents, grandparents, nieces, nephews or siblings, including adoptive relationships, (iii) any of the award recipient's mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, including adoptive relationships, (iv) a trust of which the award recipient or one or more of the Persons described in clauses (i), (ii) or (iii) are the only beneficiaries during the term the award is held by a Permitted Transferee, (v) a partnership in which no Person is a partner other than the award recipient or one or more of the Persons described in clauses (i)-(vii) hereof, (vi) a limited liability company in which no Person is a member other than the award recipient or one or more of the Persons described in clauses (i)-(vii) hereof, or (vii) any other Person who would be eligible to exercise Stock Options and SARs under Form S-8, issued under the Securities Act of 1933, as amended, and who is approved in writing by the Committee prior to any transfer of an award, provided that any Person described in clauses (i)-(vii) hereof has entered into a written agreement with the Company to withhold Common Stock or cash which would otherwise be delivered or payable to such Person to satisfy any federal, state, local or other taxes that may be

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required to be withheld or paid in connection with the award in the event that the award recipient does not provide for an arrangement satisfactory to the Company to assure that such taxes will be paid.

2.30 "Person" shall mean any individual, group, firm, corporation, general partnership, limited partnership, limited liability partnership, limited liability company, joint venture, association, trust or other entity.

2.31 "Prior Plan" shall mean the Telephone and Data Systems, Inc. 2004 Long-Term Incentive Plan, as amended and restated, and any similar plan maintained by the Company for the benefit of employees or officers of the Employers under which equity compensation awards remain outstanding as of the effective date of the Plan.

2.32 "Restricted Stock" shall mean shares of Common Stock that are subject to a Restriction Period.

2.33 "Restricted Stock Award" shall mean an award of Restricted Stock.

2.34 "Restricted Stock Unit" shall mean a right that entitles the holder thereof to receive a share of Common Stock or cash equal to the Fair Market Value of a share of Common Stock, which shall be contingent upon the expiration of a specified Restriction Period.

2.35 "Restricted Stock Unit Award" shall mean an award of Restricted Stock Units.

2.36 "Restriction Period" shall mean any period designated by the Committee during which (i) the Common Stock subject to a Restricted Stock Award shall not be sold, transferred, assigned, pledged, hypothecated or otherwise encumbered or disposed of, except as provided in the Plan or the Agreement relating to such award, or (ii) the restrictions applicable to a Restricted Stock Unit Award shall remain in effect.

2.37 "Retirement" shall mean, solely for purposes of Article VII of the Plan, an employee's Separation from Service on or after his or her Early Retirement Date or Normal Retirement Date (as defined in the Telephone and Data Systems, Inc. Pension Plan).

2.38 "SAR" shall mean a stock appreciation right that entitles the holder thereof to receive, upon exercise of the SAR, Common Stock, cash or a combination thereof with an aggregate value equal to the excess of the Fair Market Value of one share of Common Stock on the date of exercise over the base price of such SAR, multiplied by the number of such SARs which are exercised.

2.39 "Separation from Service" shall mean a termination of employment with the Employers and their affiliates within the meaning of Treasury Regulation §1.409A-1(h) (without regard to any permissible alternative definition thereunder). "Affiliate" for this purpose shall mean (i) a corporation that is a member of the same controlled group of corporations (within the meaning of section 414(b) of the Code) as an Employer or (ii) a trade or business (whether or not incorporated) under common control (within the meaning of section 414(c) of the Code) with an Employer, but in each case substituting a 50% ownership level for the 80% ownership level specified therein.

2.40 "Specified Employee" shall have the meaning set forth in the "Section 409A Specified Employee Policy of Telephone and Data Systems, Inc. and its Affiliates," which policy hereby is incorporated herein by reference.

2.41 "Stock Award" shall mean a Bonus Stock Award, a Restricted Stock Award or a Restricted Stock Unit Award.

2.42 "Stock Option" shall mean an Incentive Stock Option or a Non-Qualified Stock Option.

2.43 "Unforeseeable Emergency" shall mean a severe financial hardship to an employee resulting from (i) an illness or accident of the employee, the employee's spouse, or the employee's dependent (as defined in section 152 of the Code, without regard to sections 152(b)(1), (b)(2) and (d)(1)(B)), (ii) the loss of the employee's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by insurance, irrespective of whether caused by a natural disaster), or (iii) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the employee.

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ARTICLE III

ELIGIBILITY AND ADMINISTRATION

3.1 Eligibility. Participants in the Plan shall consist of such employees of the Employers as the Committee in its sole discretion may select from time to time. The Committee's selection of an employee to participate in the Plan at any time shall not require the Committee to select such employee to participate in the Plan at any other time. Except as otherwise provided in an Agreement, for purposes of this Plan, references to employment by an Employer shall also mean employment by an Affiliate.

3.2 Administration. (a) *In General.* The Plan shall be administered by the Committee in accordance with the terms of the Plan. The Committee, in its discretion, shall select employees for participation in the Plan and shall determine the form, amount and timing of each grant of an award and, if applicable, the number of shares of Common Stock subject to an award, the purchase price or base price associated with the award, the exercise price of any Stock Option award, the time and conditions of exercise or settlement of the award and all other terms and conditions of the award, including, without limitation, the form and terms of the Agreement evidencing the award. Any one or a combination of the following awards may be made under the Plan to eligible individuals: (i) Stock Options in the form of Incentive Stock Options or Non-Qualified Stock Options, (ii) SARs, (iii) Stock Awards in the form of Bonus Stock, Restricted Stock or Restricted Stock Units, (iv) Performance Share Awards and (v) Employer Match Awards.

The Committee may, in its sole discretion and for any reason at any time, subject to the requirements imposed under section 162(m) of the Code and regulations promulgated thereunder in the case of an award intended to be "qualified performance-based compensation," take action such that (A) any or all outstanding Stock Options and SARs shall become exercisable in part or in full, (B) the Restriction Period applicable to any outstanding Restricted Stock Award or Restricted Stock Unit Award shall terminate or shall be of a shorter duration, (C) the Performance Period applicable to any outstanding Performance Share Award or other award shall terminate or shall be of a shorter duration, (D) the Performance Measures applicable to any outstanding Performance Share Award or other award shall be deemed to be satisfied at the maximum or any other level and (E) all or a portion of the amount in a Deferred Compensation Account attributable to an Employer Match Award shall become nonforfeitable.

The Committee shall interpret the Plan and establish any rules and procedures the Committee deems necessary or desirable for the administration of the Plan and may impose, incidental to the grant of an award, conditions with respect to the award, such as restricting or limiting competitive employment or other activities. All such interpretations, rules, procedures and conditions shall be final, conclusive and binding on all parties. A majority of the members of the Committee shall constitute a quorum. The acts of the Committee shall be either (i) acts of a majority of the members of the Committee present at any meeting at which a quorum is present or (ii) acts approved in writing by all of the members of the Committee without a meeting.

(b) *Delegation.* To the extent legally permissible, the Committee may delegate some or all of its power and authority hereunder to the Board or to the President and Chief Executive Officer or other executive officer of the Company as the Committee deems appropriate; *provided, however,* that (i) the Committee may not delegate its power and authority to the Board or the President and Chief Executive Officer or other executive officer of the Company with regard to the grant of an award under this Plan to any individual deemed to be a "covered employee" within the meaning of section 162(m) of the Code or who, in the Committee's judgment, is likely to be a covered employee at any time during the period an award to such employee may result in taxable income to the employee, or (ii) the Committee may not delegate its power and authority to the President and the Chief Executive Officer or other executive officer of the Company with regard to the selection for participation in this Plan of an officer or other individual subject to section 16 of the Exchange Act, or decisions concerning the timing, pricing or number of shares subject to an award granted to such an officer or other individual.

(c) *Indemnification.* No member of the Board or Committee, and neither the President and Chief Executive Officer nor any other executive officer to whom the Committee delegates any of its power and

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authority hereunder, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with the Plan and each member of the Board and the Committee and the President and Chief Executive Officer and each other executive officer who is designated by the Committee to exercise any power or authority hereunder shall be entitled to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including attorneys' fees) arising therefrom to the full extent permitted by law, except as otherwise may be provided in the Company's certificate of incorporation and/or by-laws, and under any directors' and officers' liability insurance which may be in effect from time to time.

3.3 Shares Available.

(a) Subject to adjustment as provided in Section 8.8, 6,000,000 shares of Common Stock initially shall be available under the Plan, of which (i) no more than 6,000,000 shares of Common Stock in the aggregate may be issued under the Plan in connection with Incentive Stock Options and (ii) no more than 300,000 shares of Common Stock in the aggregate may be issued under the Plan in connection with Bonus Stock Awards. Such shares shall be reduced by the sum of the aggregate number of shares of Common Stock then subject to outstanding awards under the Plan.

(b) To the extent that shares of Common Stock subject to an outstanding award under this Plan are not issued or delivered by reason of (i) the expiration, termination, cancellation or forfeiture of such award or (ii) the settlement of such award in cash, then such shares of Common Stock shall again be available under this Plan. Notwithstanding anything in this Section 3.3 to the contrary, shares of Common Stock subject to an award under this Plan may not again be made available for issuance under this Plan if such shares are: (i) shares delivered to or withheld by the Company to pay the exercise price of a Stock Option, (ii) shares delivered to or withheld by the Company to satisfy withholding taxes related to an award or (iii) shares that were subject to a stock-settled SAR and were not issued upon the net settlement of such SAR.

(c) Shares of Common Stock to be delivered under the Plan shall be made available from authorized and unissued shares of Common Stock, or authorized and issued shares of Common Stock reacquired and held as treasury shares or otherwise or a combination thereof.

(d) In the case of an award intended to be "qualified performance-based compensation" under section 162(m) of the Code and the regulations thereunder, to the extent necessary to so qualify, (i) the maximum number of shares of Common Stock with respect to which Stock Options or SARs or a combination thereof may be granted during any fiscal year of the Company to any grantee shall be 800,000, subject to adjustment as provided in Section 8.8, (ii) the maximum number of shares of Common Stock with respect to which Stock Awards subject to Performance Measures may be granted during any fiscal year of the Company to any grantee shall be 400,000, subject to adjustment as provided in Section 8.8, and (iii) the maximum number of shares of Common Stock with respect to which Performance Share Awards may be granted during any fiscal year of the Company to any grantee shall be 400,000, subject to adjustment as provided in Section 8.8.

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ARTICLE IV

STOCK OPTIONS AND STOCK APPRECIATION RIGHTS

4.1 Stock Options. (a) In General. The Committee may, in its discretion, grant Stock Options to such employees as may be selected by the Committee; *provided, however*, that an employee of an Affiliate may be granted a Stock Option only if the underlying Common Stock qualifies, with respect to the employee, as "service recipient stock" within the meaning set forth in section 409A of the Code. Each Stock Option, or portion thereof, that is not an Incentive Stock Option shall be a Non-Qualified Stock Option. To the extent that the aggregate Fair Market Value (determined as of the date of grant) of shares of Common Stock with respect to which Stock Options designated as Incentive Stock Options are exercisable for the first time by a Stock Option holder during any calendar year (under the Plan or any other plan of the Company or any related corporation (as defined in Treasury Regulation §1.421-1(i)(2))) exceeds the amount (currently \$100,000) established by the Code, such Stock Options shall constitute Non-Qualified Stock Options. Stock Options shall be subject to the terms and conditions set forth in this Section 4.1 and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem advisable.

(b) Number of Shares and Purchase Price. The number of shares of Common Stock subject to a Stock Option and the purchase price per share of Common Stock purchasable upon exercise of the Stock Option shall be determined by the Committee; *provided, however*, that the purchase price per share of Common Stock purchasable upon exercise of a Stock Option shall not be less than 100% of the Fair Market Value of a share of Common Stock on the date such Stock Option is granted; *provided further*, that if an Incentive Stock Option shall be granted to an employee who, at the time the option is granted, owns (or is treated as owning) capital stock possessing more than ten percent of the total combined voting power of all classes of capital stock of the Company (or of any related corporation (as defined in Treasury Regulation §1.421-1(i)(2))) (a "Ten Percent Holder"), the purchase price per share of Common Stock shall not be less than the price (currently 110% of its Fair Market Value) required by the Code in order for the Stock Option to constitute an Incentive Stock Option.

(c) Option Period and Exercisability. The period during which a Stock Option may be exercised shall be determined by the Committee; *provided, however*, that no Stock Option shall be exercised later than ten years after its date of grant; *provided further*, that if an Incentive Stock Option shall be granted to a Ten Percent Holder, such Stock Option shall be exercised no later than five years after its date of grant. The Committee may, in its discretion, establish Performance Measures which must be attained as a condition either to a grant of a Stock Option or to the exercisability of all or a portion of a Stock Option. The Committee shall determine whether a Stock Option shall become exercisable in cumulative or non-cumulative installments or in part or in full at any time. A Stock Option may be exercised only with respect to whole shares of Common Stock.

(d) Method of Exercise. A Stock Option may be exercised (i) by giving written notice or notice by electronic means approved by the Company to the Vice President-Human Resources of the Company (or such other Person as may be designated by the Vice President-Human Resources) specifying the number of whole shares of Common Stock to be purchased and by arranging for the payment therefore in accordance with this Section 4.1(d) and (ii) by executing such documents and taking any other actions as the Company may reasonably request. The holder of a Stock Option may pay for the shares of Common Stock to be purchased pursuant to the exercise of such Stock Option (A) in cash, (B) by delivery (either actual delivery or by attestation procedures established by the Company) of previously-owned whole shares of Common Stock having an aggregate Fair Market Value, determined as of the date of exercise, equal to the aggregate purchase price payable by reason of such exercise, (C) with respect to an Officer, by authorizing the Company to withhold whole shares of Common Stock which otherwise would be delivered having an aggregate Fair Market Value, determined as of the date of exercise, equal to the aggregate purchase price payable by reason of such exercise, (D) to the extent legally permissible, in cash by a broker-dealer acceptable to the Company to whom the holder has submitted an irrevocable notice of exercise or (E) by a combination of (A), (B) and with respect to an Officer, (C), in each case to the extent set forth in the Agreement or any amendment thereto. Any fraction of a share of Common Stock which would be required to satisfy the aggregate of such purchase price

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and the withholding taxes with respect to the award, as described in Section 8.6, shall be disregarded and the remaining amount due shall be paid in cash by the holder. No shares of Common Stock shall be issued and no certificate representing shares of Common Stock shall be delivered until the full purchase price therefor and the withholding taxes thereon, as described in Section 8.6, have been paid (or arrangement has been made for such payment to the Company's satisfaction).

4.2 Stock Appreciation Rights. (a) In General. The Committee may, in its discretion, grant SARs to such employees as may be selected by the Committee; *provided, however*, that an employee of an Affiliate may be granted an SAR only if the underlying Common Stock qualifies, with respect to the employee, as "service recipient stock" within the meaning set forth in section 409A of the Code. SARs shall be subject to the terms and conditions set forth in this Section 4.2 and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem advisable.

(b) Number of Shares and Base Price. The number of shares of Common Stock subject to an SAR and the base price of an SAR shall be determined by the Committee; *provided, however*, that the base price of an SAR shall not be less than 100% of the Fair Market Value of a share of Common Stock on the date of grant of such SAR.

(c) Exercise Period and Exercisability. The Agreement relating to an award of SARs shall specify whether such award may be settled in Common Stock or cash or a combination thereof. The period during which an SAR may be exercised shall be determined by the Committee; *provided, however*, that no SAR shall be exercised later than ten years after its date of grant. The Committee may, in its discretion, establish Performance Measures that must be attained as a condition either to the grant of an SAR or to the exercisability of all or a portion of an SAR. The Committee shall determine whether an SAR shall become exercisable in cumulative or non-cumulative installments or in part or in full at any time. An SAR may be exercised only with respect to whole shares of Common Stock. Prior to the exercise of an SAR for Common Stock, the holder of such SAR shall have no rights as a stockholder of the Company with respect to the Common Stock subject to such SAR.

(d) Method of Exercise. An SAR may be exercised (i) by giving written notice or notice by electronic means approved by the Company to the Vice President-Human Resources of the Company (or such other Person as may be designated by the Vice President-Human Resources) specifying the number of whole shares of Common Stock with respect to which the SAR is being exercised and (ii) by executing such documents and taking any other actions as the Company may reasonably request.

4.3 Termination of Employment. Subject to the requirements of the Code, all of the terms relating to the exercise, cancellation or other disposition of a Stock Option or SAR upon an employee's termination of employment with an Employer, whether by reason of disability, retirement, death or any other reason, shall be determined by the Committee and set forth in an Agreement. Notwithstanding the foregoing, if an award recipient ceases to be employed by an Employer on account of such award recipient's negligence, willful misconduct, competition with the Company or an Affiliate or misappropriation of confidential information of the Company or an Affiliate, in each case, as determined by the Company in its sole discretion, then the Stock Option or SAR shall terminate immediately upon such termination of employment, unless such Stock Option or SAR terminates earlier pursuant to Section 8.10.

4.4 No Repricing. Notwithstanding any provision in the Plan to the contrary and subject to Section 8.8, the Committee shall not, without the approval of the stockholders of the Company (i) reduce the purchase price or base price of any previously granted Stock Option or SAR, (ii) cancel any previously granted Stock Option or SAR in exchange for another Stock Option or SAR with a lower purchase price or base price; (iii) cancel any previously granted Stock Option or SAR in exchange for cash or another award if the purchase price of such Stock Option or the base price of such SAR exceeds the Fair Market Value of a share of Common Stock on the date of such cancellation; or (iv) take any other action that would constitute a "repricing," as such term is used in Section 303A.08 of The New York Stock Exchange Listed Company Manual, in each case other than in connection with a Change in Control.

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ARTICLE V

STOCK AWARDS

5.1 Stock Awards. The Committee may, in its discretion, grant Stock Awards to such employees as may be selected by the Committee. The Agreement relating to a Stock Award shall specify the number of shares of Common Stock or Restricted Stock Units subject to the award, the purchase price (if any) applicable to the award, the Restriction Period (if any) applicable to the award and whether the Stock Award is a Bonus Award, Restricted Stock Award or Restricted Stock Unit Award. A grant of a Stock Award may be made to an employee upon the attainment of Performance Measures. Stock Awards shall be subject to the terms and conditions set forth in this Article V and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem advisable.

5.2 Terms of Stock Awards. (a) Vesting and Forfeiture. The Agreement relating to a Restricted Stock Award or a Restricted Stock Unit Award shall provide, in the manner determined by the Committee, in its discretion, and subject to the provisions of the Plan, (i) for the vesting of the shares of Common Stock subject to such Restricted Stock Award or the vesting of such Restricted Stock Unit Award upon either (w) the attainment of specified Performance Measures during the specified Restriction Period or (x) the award recipient's continuous period of employment with an Employer during the specified Restriction Period, and (ii) for the forfeiture of the shares of Common Stock subject to such Restricted Stock Award or the forfeiture of such Restricted Stock Unit Award (y) if such specified Performance Measures are not attained during the specified Restriction Period or (z) if the award recipient terminates such employment during the specified Restriction Period.

(b) Rights with Respect to Restricted Stock Awards. Unless otherwise set forth in the Agreement relating to a Restricted Stock Award, and subject to the terms and conditions of a Restricted Stock Award, the award recipient shall have all rights as a stockholder of the Company, including, but not limited to, voting rights, the right to receive dividends or other distributions and the right to participate in any capital adjustment applicable to all holders of Common Stock; *provided, however,* that (i) a distribution with respect to shares of Common Stock, other than a regular cash dividend, and (ii) a regular cash dividend with respect to shares of Common Stock that are subject to performance-based vesting conditions, in each case, shall be deposited with the Company and shall be subject to the same restrictions as the Common Stock with respect to which such distribution was made.

(c) Settlement of Vested Restricted Stock Unit Awards. The Agreement relating to a Restricted Stock Unit Award (i) shall specify whether such award may be settled in Common Stock or cash or a combination thereof and (ii) may specify whether the holder thereof shall be entitled to receive, on a current or deferred basis, dividend equivalents, and, if determined by the Committee, interest on or the deemed reinvestment of any deferred dividend equivalents, with respect to the Common Stock subject to such award. Any dividend equivalents with respect to Restricted Stock Units that are subject to performance-based vesting conditions shall be subject to the same restrictions as such Restricted Stock Units. Prior to the settlement of a Restricted Stock Unit Award in Common Stock, the holder of such award shall have no rights as a stockholder of the Company with respect to the Common Stock subject to such award.

(d) Custody and Delivery of Common Stock. During the Restriction Period, at the Company's sole discretion, the shares of Restricted Stock either (i) shall be held by a custodian in book entry form, with the restrictions on the shares duly noted, or (ii) shall be represented by a certificate or certificates registered in the award recipient's name, which may bear a legend, in addition to any legend which may be required pursuant to Section 8.7, indicating that the ownership of the shares represented by such certificate is subject to the restrictions, terms and conditions of the Plan and the Agreement relating to the Restricted Stock Award. Any such certificates shall be deposited with the Company or its agent, together with stock powers or other instruments of assignment (including a power of attorney), each endorsed in blank with a guarantee of signature if deemed necessary or appropriate by the Company, that would permit transfer to the Company of all or a portion of the shares subject to the Restricted Stock Award in the event such award is forfeited in whole or in part. Upon termination of any Restriction Period and the satisfaction of any Performance Measures applicable to a Restricted Stock Award, subject

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to the employee's timely payment of any taxes in accordance with Section 8.6, the restrictions shall be removed from the requisite number of shares of Common Stock that are held in book entry form or, alternatively, certificates evidencing ownership of the requisite number of shares of Common Stock shall be delivered to the holder of such award. Upon settlement of a Restricted Stock Unit Award in Common Stock or upon the grant of a Bonus Stock Award, in each case subject to the employee's timely payment of any taxes in accordance with Section 8.6, the Common Stock subject to such Restricted Stock Unit Award or Bonus Stock Award shall be issued in book entry form or, alternatively, in a certificate or certificates registered in the award recipient's name.

5.3 Termination of Employment. All of the terms relating to the satisfaction of Performance Measures and the termination of the Restriction Period relating to a Restricted Stock Award or a Restricted Stock Unit Award, or any forfeiture and cancellation of such award upon an employee's termination of employment with an Employer, whether by reason of disability, retirement, death or any other reason, shall be determined by the Committee and set forth in an Agreement. Notwithstanding the foregoing, if an award recipient ceases to be employed by an Employer on account of such award recipient's negligence, willful misconduct, competition with the Company or an Affiliate or misappropriation of confidential information of the Company or an Affiliate, in each case, as determined by the Company in its sole discretion, then the Restricted Stock Award or Restricted Stock Unit Award shall terminate immediately upon such termination of employment, unless such award terminates earlier pursuant to Section 8.10.

ARTICLE VI

PERFORMANCE SHARE AWARDS

6.1 Performance Share Awards. The Committee may, in its discretion, grant Performance Share Awards to such employees as may be selected by the Committee. Performance Share Awards shall be subject to the terms and conditions set forth in this Article VI and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem advisable.

(a) Number of Performance Shares, Performance Measures and Performance Period. The number of Performance Shares subject to a Performance Share Award and the Performance Measures and Performance Period applicable to such award shall be determined by the Committee.

(b) Vesting and Forfeiture. The Agreement relating to a Performance Share Award shall provide, in the manner determined by the Committee, in its discretion, and subject to the provisions of the Plan, for the vesting of such award upon the attainment of specified Performance Measures during the specified Performance Period, and for the forfeiture of such award if specified Performance Measures are not attained during the specified Performance Period.

(c) Settlement of Vested Performance Share Awards. The Agreement relating to a Performance Share Award (i) shall specify whether such award may be settled in Common Stock (including shares of Restricted Stock) or cash or a combination thereof and (ii) may specify whether the holder thereof shall be entitled to receive, on a current or deferred basis, dividend equivalents, and, if determined by the Committee, interest on or the deemed reinvestment of any deferred dividend equivalents, with respect to the Common Stock subject to such award. Any dividend equivalents with respect to Performance Share Awards shall be subject to the same restrictions as such Performance Share Awards. If a Performance Share Award is settled in shares of Restricted Stock, such shares of Restricted Stock shall be held by a custodian in book entry form or a certificate or certificates representing such Restricted Stock shall be issued in accordance with Section 5.2(d), and the holder of such shares of Restricted Stock shall have such rights of a stockholder of the Company as determined pursuant to Section 5.2(b). Prior to the settlement of a Performance Share Award in Common Stock, including Restricted Stock, the holder of such award shall have no rights as a stockholder of the Company with respect to the Common Stock subject to such award.

6.2 Termination of Employment. All of the terms relating to the satisfaction of Performance Measures and the termination of the Performance Period relating to a Performance Share Award, or any forfeiture and cancellation of such award upon an employee's termination of employment with an

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Employer, whether by reason of disability, retirement, death, or any other reason, shall be determined by the Committee and set forth in an Agreement. Notwithstanding the foregoing, if an award recipient ceases to be employed by an Employer on account of such award recipient's negligence, willful misconduct, competition with the Company or an Affiliate or misappropriation of confidential information of the Company or an Affiliate, in each case, as determined by the Company in its sole discretion, then the Performance Share Award shall terminate immediately upon such termination of employment, unless such Performance Share Award terminates earlier pursuant to Section 8.10.

ARTICLE VII

**DEFERRED COMPENSATION ACCOUNTS
AND EMPLOYER MATCH AWARDS**

7.1 Annual Bonus Deferral. The Committee may, in its discretion, permit an employee selected by the Committee to make an irrevocable election (i) not to receive currently any whole percentage of his or her gross annual bonus payment for a Bonus Year and (ii) to have an amount equal to such percentage credited to the employee's Deferred Compensation Account (such election, a "deferral election"). An employee's deferral election shall be made on or before the last day of the calendar year immediately preceding the Bonus Year. Notwithstanding the preceding sentence, if permitted by the Company, a Newly Eligible Employee may make a deferral election with respect to a Bonus Year within thirty (30) days following the date that the employee becomes eligible; *provided, however*, that such deferral election shall apply solely to that portion of the Newly Eligible Employee's annual bonus equal to the total annual bonus multiplied by the ratio of the number of days remaining in the Bonus Year after the date of the deferral election over the total number of days in the Bonus Year. Annual bonus amounts credited to the employee's Deferred Compensation Account pursuant to this Section 7.1 (as adjusted for deemed investment returns pursuant to Section 7.3) shall be 100% vested at all times.

7.2 Employer Match Award. (a) In General. At the time the Committee selects an employee for participation in the Plan pursuant to Section 7.1, the Committee may also decide that such an employee is eligible for an Employer Match Award. Employer Match Awards shall be subject to the terms and conditions set forth in this Section 7.2 and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem advisable. As of the date on which an amount (the "deferred amount") is credited to an employee's Deferred Compensation Account pursuant to Section 7.1, there also shall be credited to the employee's Deferred Compensation Account an Employer Match Award equal to a percentage of such deferred amount specified by the Committee not in excess of 33¹/₃%.

(b) Vesting of Employer Match Award. One-third of the Employer Match Award so credited to the employee's Deferred Compensation Account pursuant to this Section 7.2 (as adjusted for deemed investment returns pursuant to Section 7.3) shall become nonforfeitable on each of the first three annual anniversaries of the last day of the Bonus Year, *provided that* the employee remains continuously employed by an Employer until such date and the related annual bonus amount credited to his or her Deferred Compensation Account has not been withdrawn or distributed before such date; *provided further, however*, that if the employee experiences a Separation from Service by reason of his or her Disability, Retirement or death, all Employer Match Awards (as adjusted for deemed investment returns pursuant to Section 7.3) credited to the employee's Deferred Compensation Account, to the extent not forfeited previously, shall become nonforfeitable as of the date of such Separation from Service. Any Employer Match Award that is forfeitable as of the date that the employee experiences a Separation from Service, or as of the date that the related annual bonus amount is withdrawn or distributed, shall be forfeited as of the date of such Separation from Service, withdrawal or distribution. Notwithstanding the foregoing provisions of this Section 7.2(b) or any other provision herein to the contrary, if an employee experiences a Separation from Service on account of such employee's negligence, willful misconduct, competition with the Company or an Affiliate or misappropriation of confidential information of the Company or an Affiliate, in each case, as determined by the Company in its sole discretion, then any Employer Match Award shall be forfeited immediately upon such employee's Separation from Service, unless such Employer Match Award is forfeited earlier pursuant to Section 8.10. Any Employer Match

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Awards and any deemed investment returns credited to an employee's Deferred Compensation Account shall be an expense allocated to the employee's Employer for the related Bonus Year.

7.3 Deemed Investment of Deferred Compensation Account. Amounts credited to an employee's Deferred Compensation Account pursuant to Sections 7.1 and 7.2 shall be deemed to be invested in whole and fractional shares of Common Stock at the Fair Market Value thereof on the date as of which the amount is credited to the Deferred Compensation Account.

7.4 Payment of Deferred Compensation Account. An employee's Distributable Balance shall be paid in a lump sum during the seventh calendar month following the calendar month during which the employee experiences a Separation from Service; *provided, however,* that an employee may irrevocably elect, at the time that the employee makes the deferral election pursuant to Section 7.1, to receive the applicable portion of the employee's Distributable Balance in a lump sum at an earlier date specified by the employee that is at least three calendar years after the calendar year during which the employee's deferral election is made. All payments of deferred compensation hereunder will be made in whole shares of Common Stock, and cash equal to the Fair Market Value of any fractional share. Notwithstanding the foregoing, if an employee dies before the employee's entire Distributable Balance has been paid, then within sixty (60) days following the employee's death the Company shall pay the remainder of the Distributable Balance to the employee's beneficiary designated pursuant to Section 8.4.

7.5 Unforeseeable Emergency Withdrawals. Upon written request by an employee (other than an employee who has experienced a Separation from Service) whom the Committee determines has suffered an Unforeseeable Emergency, the Committee may direct payment to the employee of all or any portion of the employee's Distributable Balance. An employee who has experienced a Separation from Service shall not be eligible to receive a withdrawal hereunder due to Unforeseeable Emergency. The circumstances that shall constitute an Unforeseeable Emergency will depend upon the facts of each case, but, in any event, payment shall not exceed an amount reasonably necessary to satisfy such emergency plus amounts necessary to pay taxes and penalties reasonably anticipated as a result of such payment after taking into account the extent to which such emergency is or may be relieved (i) through reimbursement or compensation by insurance or otherwise; (ii) by liquidation of the employee's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship; or (iii) by cessation of deferrals under any Account Balance Plan. In the event that the Committee approves a withdrawal of all or a portion of the employee's Distributable Balance due to an Unforeseeable Emergency, payment shall be made to the employee in a lump sum as soon as practicable following such approval, but in no event later than sixty (60) days after the occurrence of the Unforeseeable Emergency.

If an employee receives, either hereunder or from any other nonqualified deferred compensation arrangement maintained by an Employer or Affiliate, a withdrawal on account of the employee's Unforeseeable Emergency, any deferral election by the employee in effect under this Article VII shall be cancelled, effective as of the date of such withdrawal.

ARTICLE VIII

GENERAL

8.1 Effective Date and Term of Plan. This Plan and the Revised Charter Amendments (as such term is defined in resolutions adopted by the Board on November 28, 2011) shall be submitted to the stockholders of the Company for approval at a special meeting of stockholders (the "Special Stockholder Meeting"). If this Plan and the Revised Charter Amendments are approved, and the Revised Charter Amendments are effectuated, this Plan shall become effective as of the effective date of the Revised Charter Amendments. If this Plan is not approved or the Revised Charter Amendments are not approved or effectuated, then this Plan shall be void and of no effect. This Plan shall terminate ten years after it is approved by the stockholders of the Company at the Special Stockholder Meeting, unless terminated earlier by the Board. Termination of the Plan shall not affect the terms or conditions of any award granted prior to termination.

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8.2 *Amendment.* The Board may amend the Plan as it shall deem advisable, subject to any requirement of stockholder approval under applicable law, rule or regulation, including section 162(m) of the Code, and any rule of the principal national stock exchange on which the Common Stock is then traded; *provided, however*, that no amendment shall be made without stockholder approval if such amendment would (a) increase the maximum number of shares of Common Stock available for issuance under the Plan (except as provided in Section 8.8) or (b) with respect to any Incentive Stock Option, effect any change inconsistent with section 422 of the Code. No amendment may impair the rights of a holder of an outstanding award without the consent of such holder.

8.3 *Agreement.* Each award granted under the Plan shall be evidenced by an Agreement setting forth the terms and conditions applicable to such award. No award shall be valid until an Agreement is executed by the Company and either executed by the recipient or accepted by the recipient by electronic means approved by the Company. Upon such execution or execution and electronic acceptance, and delivery of the Agreement to the Company, such award shall be effective as of the effective date set forth in the Agreement.

8.4 *Designation of Beneficiaries.* Each employee may designate a beneficiary or beneficiaries in the event of the employee's death with respect to his or her awards and his or her Deferred Compensation Account by executing and filing with the Company during his or her lifetime a beneficiary designation in such form as prescribed by the Company. The employee may change or revoke any such designation by executing and filing with the Company during his or her lifetime a new beneficiary designation in such form as prescribed by the Company. To the extent that an outstanding Stock Option or SAR is exercisable, such beneficiary or beneficiaries shall be entitled to exercise such Stock Option or SAR pursuant to procedures established by the Company. If all designated beneficiaries predecease the employee, and if each corporation, partnership, trust or other entity which is a designated beneficiary is terminated, dissolved, becomes insolvent, or is adjudicated bankrupt prior to the date of the employee's death, or if the employee fails to designate a beneficiary, then the following Persons in the order set forth below shall be the designated beneficiary or designated beneficiaries of such employee:

- i) the employee's spouse, if living; or if none,
- ii) the employee's then living descendants, per stirpes; or if none,
- iii) the employee's estate.

8.5 *Transferability.* No Incentive Stock Option shall be transferable other than to a beneficiary determined pursuant to Section 8.4 and effective on the recipient's death. No Restricted Stock Unit Award, Performance Share Award or Deferred Compensation Account shall be transferable other than (a) to a beneficiary determined pursuant to Section 8.4 and effective on the recipient's death or (b) pursuant to a court order entered in connection with a dissolution of marriage or child support. No other award under the Plan shall be transferable other than (a) to a beneficiary determined pursuant to Section 8.4 and effective on the recipient's death, (b) pursuant to a court order entered in connection with a dissolution of marriage or child support, or (c) to the extent permitted under (i) securities laws relating to the registration of securities subject to employee benefit plans and (ii) the Agreement evidencing the grant of such award, by gift to a Permitted Transferee. Except as permitted by the preceding provisions of this Section 8.5, no award under the Plan or Deferred Compensation Account balance may be sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any such attempt to so sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of any award or Deferred Compensation Account balance, such award and all rights thereunder shall immediately become null and void and any Employer Match Awards credited to such Deferred Compensation Account shall immediately be forfeited.

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8.6 Tax Withholding. Prior to (i) the issuance or delivery of any shares of Common Stock pursuant to an award made hereunder, (ii) the payment of any cash pursuant to an award made hereunder or (iii) any distribution from an employee's Deferred Compensation Account, the Company shall have the right to require payment by the holder of any federal, state, local or any other taxes which may be required to be withheld or paid in connection with such award or distribution. An Agreement may provide that (i) the Company shall withhold whole shares of Common Stock which would otherwise be delivered to the holder, having an aggregate Fair Market Value determined as of the date the obligation to withhold or pay taxes arises in connection with an award or account (the "Tax Date"), or withhold an amount of cash which would otherwise be payable to the holder, in the amount necessary to satisfy any such obligation or (ii) the holder may satisfy any such obligation by any of the following means: (A) a cash payment to the Company, (B) delivery (either actual delivery or by attestation procedures established by the Company) to the Company of previously-owned whole shares of Common Stock having an aggregate Fair Market Value, determined as of the Tax Date, equal to the amount necessary to satisfy any such obligation, (C) authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered having an aggregate Fair Market Value, determined as of the Tax Date, or withhold an amount of cash which would otherwise be payable, in either case equal to the amount necessary to satisfy any such obligation, (D) in the case of the exercise of a Stock Option and to the extent legally permissible, a cash payment by a broker-dealer acceptable to the Company to whom the holder has submitted an irrevocable notice of exercise or (E) any combination of (A), (B) and (C), in each case to the extent set forth in the Agreement relating to the award. Shares of Common Stock to be delivered or withheld may not have an aggregate Fair Market Value in excess of the amount determined by applying the minimum statutory withholding rate. Any fraction of a share of Common Stock which would be required to satisfy the aggregate of such tax withholding obligation and the purchase price with respect to the award, if any, shall be disregarded and the remaining amount due shall be paid in cash by the holder. No share of Common Stock shall be delivered until the withholding taxes thereon have been paid (or arrangement has been made for such payment to the Company's satisfaction).

8.7 Restrictions on Shares. Each award granted hereunder shall be subject to the requirement that if at any time the Company determines that it is necessary or desirable as a condition of or in connection with the delivery of shares pursuant to such award (i) to list, register or qualify the shares of Common Stock subject to such award upon any securities exchange or under any law, (ii) to obtain the consent or approval of any governmental body, or (iii) to take any other action, such shares shall not be delivered unless the listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company may require that certificates evidencing shares of Common Stock delivered pursuant to any award made hereunder bear a legend indicating that the sale, transfer or other disposition thereof by the holder is prohibited except in compliance with the Securities Act of 1933, as amended, and the rules and regulations thereunder.

8.8 Adjustment. In the event of any conversion, stock split, stock dividend, recapitalization, reclassification, reorganization, merger, consolidation, spin-off, combination, exchange of shares, liquidation or other similar change in capitalization or event, or any distribution to holders of Common Stock other than a regular cash dividend, the number and class of securities available under the Plan, the maximum number of securities with respect to which Stock Options or SARs or a combination thereof may be granted during any fiscal year of the Company to any grantee, the maximum number of securities with respect to which Stock Awards subject to Performance Measures may be granted during any fiscal year of the Company to any grantee, the maximum number of securities with respect to which Performance Share Awards may be granted during any fiscal year of the Company to any grantee, the maximum aggregate number of securities that may be issued under the Plan in connection with Incentive Stock Options, the maximum aggregate number of securities that may be issued under the Plan in connection with Bonus Stock Awards, the terms of each outstanding Stock Option or SAR, including the number and class of securities subject to each outstanding Stock Option or SAR and the purchase price or base price per security, the terms of each outstanding Stock Award or Performance Share Award, including the number and class of securities subject to each such outstanding Stock Award or Performance Share Award, and the number and class of securities deemed to be held in each Deferred Compensation Account shall be appropriately and equitably adjusted by the Committee, such adjustment

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to be made in the case of outstanding Stock Options and SARs without an increase in the aggregate purchase price or base price. Such adjustment shall be final, binding and conclusive. If such adjustment would result in a fractional security being available under the Plan, then such fractional security shall be disregarded. If such adjustment would result in a fractional security being subject to an award under the Plan, then the Company shall pay the holder of such award, in connection with the first exercise or settlement of such award, in whole or part, occurring after such adjustment, an amount in cash determined by multiplying (i) the fraction of such security (rounded to the nearest hundredth) by (ii) the excess, if any, of (A) the Fair Market Value on the vesting, exercise or other date that the award becomes payable, over (B) the purchase or base price, if any, of such award. Any adjustment pursuant to this Section 8.8 shall be made in compliance with the requirements of section 409A of the Code (to the extent applicable thereto), including without limitation, with respect to Stock Options and SARs, the requirements of Treasury Regulation §1.409A-1(b)(5)(v)(D).

8.9 Change in Control. (a) Notwithstanding any other provision of the Plan or any provision of any Agreement, in the event of a Change in Control, the Board (as constituted prior to such Change in Control) may in its discretion, but shall not be required to, make such adjustments to outstanding awards hereunder as it deems appropriate, including, without limitation:

(1) (i) causing some or all outstanding Stock Options and SARs to immediately become exercisable in full, (ii) causing some or all outstanding Restricted Stock Awards to become nonforfeitable and the Restriction Periods applicable to some or all outstanding Restricted Stock Awards to lapse in full or in part, (iii) causing some or all outstanding Restricted Stock Unit Awards to become nonforfeitable, and to the extent permissible under section 409A of the Code, causing the Restriction Periods applicable to some or all outstanding Restricted Stock Unit Awards to lapse in full or in part; (iv) causing some or all outstanding Performance Share Awards to become nonforfeitable, and to the extent permissible under section 409A of the Code, causing the Performance Periods applicable to some or all outstanding Performance Share Awards to lapse in full or in part; (v) causing the Performance Measures applicable to some or all outstanding Performance Share Awards, Restricted Stock Awards or Restricted Stock Unit Awards (if any) to be deemed to be satisfied at the target, maximum or any other level, as determined by the Board (as constituted prior to such Change in Control), and (vi) causing some or all amounts deemed to be held in Deferred Compensation Accounts to become nonforfeitable; and/or

(2) substituting for some or all of the Common Stock available under the Plan, whether or not then subject to an outstanding award, the number and class of shares into which each outstanding share of such Common Stock shall be converted pursuant to such Change in Control; *provided, however*, that in the event of such a substitution, the purchase or base price per share of stock then subject to an outstanding award under the Plan shall be appropriately adjusted by the Committee (whose determination shall be final, binding and conclusive), but in no event shall the aggregate purchase or base price for such shares be greater than the aggregate purchase or base price for the shares of Common Stock subject to such award prior to the Change in Control; and/or

(3) requiring that outstanding awards, in whole or in part, be surrendered to the Company by the holder, and be immediately cancelled by the Company, and providing for the holder to receive (i) a cash payment in an amount equal to (A) in the case of a Stock Option or an SAR, the number of shares of Common Stock then subject to the portion of such Stock Option or SAR surrendered, to the extent such Stock Option or SAR is then exercisable or becomes exercisable pursuant to this Section 8.9(a), multiplied by the excess, if any, of the Fair Market Value of a share of Common Stock as of the date of the Change in Control, over the purchase price or base price per share of Common Stock subject to such Stock Option or SAR, (B) in the case of a Stock Award, the number of shares of Common Stock or Restricted Stock Units, as the case may be, then subject to the portion of such award surrendered, to the extent the Restriction Period and Performance Period, if any, on such Stock Award has lapsed or will lapse pursuant to this Section 8.9(a) and to the extent that the Performance Measures, if any, have been satisfied or are deemed satisfied pursuant to this Section 8.9(a), multiplied by the Fair Market Value of a share of Common Stock as of the date of the Change in Control, (C) in the case of a Performance Share Award, the number of shares of Common Stock then subject to the portion of such award surrendered, to the extent the

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Performance Period applicable to such award has lapsed or will lapse pursuant to this Section 8.9(a) and to the extent that the Performance Measures applicable to such award have been satisfied or are deemed satisfied pursuant to this Section 8.9(a), multiplied by the Fair Market Value of a share of Common Stock as of the date of the Change in Control, and (D) in the case of a Deferred Compensation Account, the number of shares of Common Stock then subject to the portion of such account surrendered, to the extent such Deferred Compensation Account is then nonforfeitable or becomes nonforfeitable pursuant to this Section 8.9(a), multiplied by the Fair Market Value of a share of Common Stock as of the date of the Change in Control; (ii) shares of capital stock of the corporation resulting from or succeeding to the business of the Company pursuant to such Change in Control, or a parent corporation thereof, having a fair market value not less than the amount determined under clause (i) above; or (iii) a combination of the payment of cash pursuant to clause (i) above and the issuance of shares pursuant to clause (ii) above. In the event of a payment or issuance pursuant to this Section 8.9(a)(3) with respect to a Deferred Compensation Account, such payment or issuance shall be made at the time that the account would have been paid if a Change in Control had not occurred.

(b) For purposes of the Plan, "Change in Control" shall mean:

(1) the acquisition by any Person, including any "person" within the meaning of section 13(d)(3) or 14(d)(2) of the Exchange Act, of beneficial ownership within the meaning of Rule 13d-3 promulgated under the Exchange Act, of the then outstanding securities of the Company (the "Outstanding Voting Securities") (x) having sufficient voting power of all classes of capital stock of the Company to elect at least 50% or more of the members of the Board 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), excluding, however, the following: (i) any acquisition directly from the Company or an Affiliate (excluding any acquisition resulting from the exercise of an exercise, conversion or exchange privilege, unless the security being so exercised, converted or exchanged was acquired directly from the Company or an Affiliate), (ii) any acquisition by the Company or an Affiliate, (iii) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the Company or an Affiliate, (iv) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (3) of this Section 8.9(b), or (v) any acquisition by the following Persons: (A) LeRoy T. Carlson or his spouse, (B) any child of LeRoy T. Carlson or the spouse of any such child, (C) any grandchild of LeRoy T. Carlson, including any child adopted by any child of LeRoy T. Carlson, or the spouse of any such grandchild, (D) the estate of any of the Persons described in clauses (A)-(C), (E) any trust or similar arrangement (including any acquisition on behalf of such trust or similar arrangement by the trustees or similar Persons) provided that all of the current beneficiaries of such trust or similar arrangement are Persons described in clauses (A)-(C) or their lineal descendants, or (F) the voting trust which expires on June 30, 2035, or any successor to such voting trust, including the trustees of such voting trust on behalf of such voting trust (all such Persons, collectively, the "Exempted Persons");

(2) individuals who, as of July 29, 2011, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of such Board; *provided that* any individual who becomes a director of the Company after July 29, 2011 whose election, or nomination for election by the Company's stockholders, was approved by the vote of at least a majority of the directors then comprising the Incumbent Board shall be deemed a member of the Incumbent Board; and *provided further that* any individual who was initially elected as a director of the Company as a result of an actual or threatened solicitation by a Person other than the Board for the purpose of opposing a solicitation by any other Person with respect to the election or removal of directors or any other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board shall not be deemed a member of the Incumbent Board;

(3) consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (a "Corporate Transaction"), excluding, however, a Corporate Transaction pursuant to which (i) all or substantially all of the Persons who are the beneficial owners of the Outstanding Voting Securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, (x) sufficient voting power to elect at least a

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majority of the members of the board of directors of the corporation resulting from the Corporate Transaction and (y) more than 50% of the combined voting power of the outstanding securities which are entitled to vote generally on matters (without regard to the election of directors) of the corporation resulting from such Corporate Transaction (including in each of clauses (x) and (y), without limitation, a corporation which as a result of such transaction owns, either directly or indirectly, the Company or all or substantially all of the Company's assets), in substantially the same proportions relative to each other as the shares of Outstanding Voting Securities are owned immediately prior to such Corporate Transaction, (ii) no Person (other than the following Persons: (v) the Company or an Affiliate, (w) any employee benefit plan (or related trust) sponsored or maintained by the Company or an Affiliate, (x) the corporation resulting from such Corporate Transaction, (y) the Exempted Persons, and (z) any Person which beneficially owned, immediately prior to such Corporate Transaction, directly or indirectly, 50% or more of the Outstanding Voting Securities) will beneficially own, directly or indirectly, 50% or more of the combined voting power of the outstanding securities of such corporation entitled to vote generally on matters (without regard to the election of directors) and (iii) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction; or

(4) approval by the stockholders of the Company of a plan of complete liquidation or dissolution of the Company.

8.10 Forfeiture of Award upon Competition with Company or an Affiliate or Misappropriation of Confidential

Information. Notwithstanding any other provision herein, on the date on which an award recipient (a) enters into competition with the Company or an Affiliate, or (b) misappropriates confidential information of the Company or an Affiliate, in each case as determined by the Company in its sole discretion, any Stock Option, SAR, Restricted Stock Award, Restricted Stock Unit Award or Performance Share Award then held by the award recipient (or a Permitted Transferee thereof) shall be forfeited and any balance credited to the award recipient's Deferred Compensation Account attributable to Employer Match Awards shall be forfeited, in each case regardless of whether such award or account balance would otherwise be nonforfeitable.

For purposes of the preceding sentence, an award recipient shall be treated as entering into competition with the Company or an Affiliate if such award recipient (i) directly or indirectly, individually or in conjunction with any Person, has contact with any customer of the Company or an Affiliate or with any prospective customer which has been contacted or solicited by or on behalf of the Company or an Affiliate for the purpose of soliciting or selling to such customer or prospective customer any competing product or service, except to the extent such contact is made on behalf of the Company or an Affiliate, or (ii) otherwise competes with the Company or an Affiliate in any manner or otherwise engages in the business of the Company or an Affiliate.

An award recipient shall be treated as misappropriating confidential information of the Company or an Affiliate if such award recipient (i) uses confidential information (as defined below) for the benefit of anyone other than the Company or such Affiliate, as the case may be, or discloses the confidential information to anyone not authorized by the Company or such Affiliate, as the case may be, to receive such information, (ii) upon termination of employment, makes any summaries of, takes any notes with respect to, or memorizes any confidential information or takes any confidential information or reproductions thereof from the facilities of the Company or an Affiliate, or (iii) upon termination of employment or upon the request of the Company or an Affiliate, fails to return all confidential information then in the award recipient's possession. "Confidential information" shall mean any confidential and proprietary drawings, reports, sales and training manuals, customer lists, computer programs, and other material embodying trade secrets or confidential technical, business, or financial information of the Company or an Affiliate.

8.11 No Right of Participation, Employment or Service. No Person shall have any right to participate in the Plan. Neither the Plan nor any award granted hereunder shall confer upon any individual any right to continued employment by or service with the Company or any of its subsidiaries

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or affiliates or affect in any manner the right of the Company or any of its subsidiaries or affiliates to terminate the employment or service of any individual at any time without liability hereunder.

8.12 Rights as Stockholder. No Person shall have any right as a stockholder of the Company with respect to any shares of Common Stock that are subject to an award granted hereunder unless and until such Person becomes a stockholder of record with respect to such shares of Common Stock.

8.13 Governing Law. The Plan, each award granted hereunder and the related Agreement, and all determinations made and actions taken pursuant thereto, to the extent not otherwise governed by the Code or the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

8.14 Severability. If a provision of the Plan shall be held illegal or invalid, the illegality or invalidity shall not affect the remaining parts of the Plan and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included in the Plan.

8.15 Compliance with Section 409A of the Code. It is intended that the Plan be exempt from the requirements of section 409A of the Code to the maximum extent possible. To the extent the Plan is subject to the requirements of section 409A of the Code, it is intended that the Plan comply with such requirements to the maximum extent possible. The Plan shall be administered and interpreted in a manner consistent with this intent. Notwithstanding the foregoing, no particular tax result for an employee with respect to any income recognized by the employee in connection with the Plan is guaranteed under the Plan, and the employee solely shall be responsible for any taxes, interest, penalties or other amounts imposed on the employee in connection with the Plan.

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SCHEDULE I
INFORMATION CONCERNING THE DIRECTORS AND
CERTAIN OFFICERS AND EMPLOYEES OF TDS

The following table sets forth the name, principal business address and the present principal occupation or employment, and the name and principal business address of any corporation or other organization in which their employment is carried on, of the directors, persons nominated to be directors by the TDS board of directors ("TDS director nominees"), officers and employees of TDS who, under SEC rules, are "participants" (collectively, "TDS Participants") in our solicitation of proxies from shareholders in connection with the 2014 Annual Meeting of shareholders of TDS ("Annual Meeting"). In addition, certain additional information with respect to directors and executive officers is set forth in the attached Proxy Statement.

Unless otherwise indicated below, the principal business address of each such person is 30 North LaSalle Street, Suite 4000, Chicago, Illinois 60602. Each such person has a substantial interest in the election of directors at the Annual Meeting as an incumbent director, director nominee, officer and/or employee of TDS engaged in the solicitation of proxies.

Directors and Director Nominees

<i>Name and Principal Business Address</i>	<i>Present Office or Other Principal Occupation or Employment</i>
LeRoy T. Carlson, Jr.(1)	Director and President and Chief Executive Officer of TDS
Letitia G. Carlson, M.D.(1) 2150 Pennsylvania Ave. N.W. Washington, D.C. 20037	Director of TDS and Physician and Associate Clinical Professor, George Washington University Medical Center
Prudence E. Carlson(1)	Director of TDS and Private Investor
Walter C. D. Carlson(1) One South Dearborn Chicago, IL 60603	Non-executive Chairman of the Board and Director of TDS and Partner, Sidley Austin LLP, Chicago, Illinois
Clarence A. Davis	Director of TDS and Business Consultant
Kenneth R. Meyers	Director of TDS and President and Chief Executive Officer of United States Cellular Corporation
Donald C. Nebergall	Director of TDS and Consultant
George W. Off 101 Wolf Drive Thorofare, NJ 08086	Director of TDS and Private Investor
Christopher D. O'Leary No. 1 General Mills Blvd. Minneapolis, MN 55426	Director of TDS and Executive Vice President, Chief Operating Officer International, of General Mills, Inc.
Mitchell H. Saranow 411 E. Business Center Drive, Suite 104 Mt Prospect, IL 60056	Director of TDS and Chairman of The Saranow Group, L.L.C.
Gary L. Sugarman	Director of TDS, Managing Member Richfield Capital Partners and Principal of Richfield Associates, Inc.
Herbert S. Wander	Director of TDS and Partner, Katten Muchin Rosenman LLP, Chicago, Illinois

525 West Monroe
Chicago, IL 60661

(1)

Trustee of TDS Voting Trust.

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Other TDS Participants

***Name and Principal
Business Address***

***Present Office or Other Principal
Occupation or Employment***

LeRoy T. Carlson

Director Emeritus and Chairman Emeritus of TDS

Douglas D. Shuma

Senior Vice President and Controller of TDS

Peter L. Sereda

Senior Vice President Finance and Treasurer of TDS

Jane W. McCahon

Vice President Corporate Relations and Corporate Secretary of TDS

In addition, the class of employees of TDS that may be employed in the solicitation of proxies include employees in investor relations and communications who report to the Vice President Corporate Relations and Corporate Secretary of TDS. The nature of their employment in such solicitations will be preparing communications (which will be filed with the SEC as required under Regulation 14A), responding to questions from shareholders and requesting shareholders to return proxies to TDS.

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**INFORMATION CONCERNING
TDS PARTICIPANTS IN THE COMPANY'S SOLICITATION OF PROXIES
(Each Person Named is a Participant in the Solicitation)**

A. TDS SHARES HELD BY TDS PARTICIPANTS

The number of TDS Series A Common Shares and TDS Common Shares owned beneficially or of record by directors, TDS director nominees and executive officers of TDS, as of February 28, 2014, is set forth in the Proxy Statement under the caption "Security Ownership of Certain Beneficial Owners and Management." The following table shows the number of TDS Series A Common Shares, TDS Common Shares and TDS Preferred Shares beneficially owned (if any) by persons other than directors, TDS director nominees and executive officers of TDS directly or indirectly, including pursuant to the TDS 401(k) plan, as of February 28, 2014. In addition the table below shows if any TDS Participants beneficially own any of the following TDS debt securities represented by publicly-traded notes (\$25 par value) as of February 28, 2014 (collectively "Notes"): 6.625% Senior Notes due 2045 ("TDI Notes"), 6.875% Senior Notes due 2059 ("TDE Notes"), 7.0% Senior Notes due 2060 ("TDJ Notes") and 5.875% Senior Notes due 2061, which were issued on December 3, 2012 ("TDA Notes"). Except to the extent set forth on these Schedules or the Proxy Statement, none of the TDS Participants owns any securities of TDS of record but not beneficially. Unless otherwise indicated below, the principal business address of each such person is 30 North LaSalle Street, Suite 4000, Chicago, Illinois 60602.

<i>Name and Principal Business Address</i>	<i>Number of Securities Beneficially Owned, by Class</i>
Peter L. Sereda(1)	179,999 Common 1,900 TDI Notes
Jane W. McCahon(2)	17,587 Common

None of the TDS Participants owns any Notes or TDS Preferred Shares.

B. SHARES OF TDS SUBSIDIARIES HELD BY TDS PARTICIPANTS

For purposes of disclosure required under Item 5(b)(1)(x) of Schedule 14A of the Securities Exchange Act of 1934, as amended, TDS is the ultimate parent corporation in TDS' corporate family. Certain TDS Participants have beneficial interests in securities of United States Cellular Corporation, an over 80%-owned subsidiary of TDS ("USM"). The USM securities include USM Common Shares ("USM Common"), and 6.95% Senior Notes Due 2060 which were issued on May 16, 2011 ("UZA Notes"). The following TDS Participants beneficially own the number of USM securities indicated, directly or indirectly, including pursuant to the TDS 401(k) plan, as of February 28, 2014:

<i>Name of Beneficial Owner</i>	<i>Number of Securities of such Subsidiary Beneficially Owned, by Class</i>
LeRoy T. Carlson	1,243 USM Common
Walter C.D. Carlson	11,953 USM Common
Kenneth R. Meyers(3)	68,937 USM Common
George W. Off	500 USM Common

None of the TDS Participants owns any UZA Notes.

- (1) Includes 160,367 Common Shares that may be acquired pursuant to stock options and/or restricted stock units or phantom stock units which are currently vested or will vest within 60 days.
- (2) Includes 14,866 Common Shares that may be acquired pursuant to stock options and/or restricted stock units or phantom stock units which are currently vested or will vest within 60 days.

(3)

Includes 26,604 USM Common Shares that may be acquired pursuant to stock options and/or restricted stock units or phantom stock units which are currently vested or will vest within 60 days.

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The following table sets forth information concerning purchases and sales of securities of TDS by TDS Participants during the period of at least two years between April 1, 2012 ("Start Date") and the date of this Proxy Statement ("End Date"), including the grant of stock options, restricted stock units ("RSUs") and phantom stock units, the exercise of stock options and the vesting of RSUs.

The following definitions are used:

"Common" refers to TDS Common Shares.

"Deferred Compensation" refers to the Bonus Deferral and Employer Match Program under the LTIP.

"Director Plan" refer to the TDS Compensation Plan for Non-Employee Directors.

"DRP" refers to TDS dividend reinvestment plans.

"LTIP" refers to the TDS Long-Term Incentive Plan.

"Series A" refers to TDS Series A Common Shares.

<i>Name</i>	<i>Nature of Transaction</i>	<i>Date of Transaction</i>	<i>Number of Securities and Designation</i>
LeRoy T. Carlson, Jr.(1)	Grant of options pursuant to TDS LTIP	5/16/12	309,200 Common
	Grant of RSUs pursuant to TDS LTIP	5/16/12	57,500 Common
	Issuance of shares upon vesting of RSUs	12/15/12	37,400 Common
	Shares delivered or withheld for payment of taxes	12/15/12	12,693 Common
	Disposition of shares by gift	1/18/13	2,456 Common
	Acquisition pursuant to Deferred Compensation	3/15/13	7,077 Common
	Grant of options pursuant to TDS LTIP	5/10/13	186,000 Common
	Grant of RSUs pursuant to TDS LTIP	5/10/13	62,719 Common
	Shares acquired upon exercise of options	8/9/13	136,838 Common
	Shares delivered or withheld for payment of exercise price	8/9/13	117,594 Common
	Shares delivered or withheld for payment of taxes	8/9/13	7,838 Common
	Disposition of shares by gift	8/14/13	11,406 Common
	Disposition of shares by gift	10/23/13	300 Common
	Issuance of shares upon vesting of RSUs	12/2/13	36,700 Common
	Shares delivered or withheld for payment of taxes	12/2/13	16,368 Common
	Disposition of shares by gift	1/8/14	2,066 Common
	Disposition of shares by gift	1/10/14	7,385 Common
	Acquisition pursuant to Deferred Compensation	1/14/14	6,145 Common
	Shares delivered or withheld for payment of taxes	1/14/14	1,844 Common
	Acquisition pursuant to Deferred Compensation	3/13/14	7,053 Common
Acquisition pursuant to TDS DRP	Start Date to End Date	7,050 Common	
Acquisition pursuant to TDS DRP	Start Date to End Date	4,666 Series A	
Acquisition pursuant to the TDS 401(k) Plan	Start Date to End Date	642 Common	

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<i>Name</i>	<i>Nature of Transaction</i>	<i>Date of Transaction</i>	<i>Number of Securities and Designation</i>
Letitia G. Carlson(1)	Acquisition pursuant to TDS Director Plan	3/1/13	3,266 Common
	Acquisition pursuant to TDS Director Plan	3/3/14	3,277 Common
	Acquisition pursuant to TDS DRP	Start Date to End Date	655 Common
	Acquisition pursuant to TDS DRP	Start Date to End Date	145 Series A
Prudence E. Carlson(1)	Acquisition pursuant to TDS Director Plan	3/1/13	3,266 Common
	Acquisition pursuant to TDS Director Plan	3/3/14	3,277 Common
	Disposition of shares	5/30/13	1,937 Common
	Disposition of shares	8/7/13	3,492 Common
	Acquisition pursuant to TDS DRP	Start Date to End Date	2,102 Series A
	Acquisition pursuant to TDS DRP	Start Date to End Date	1,365 Common
Walter C.D. Carlson(1)	Acquisition pursuant to TDS Director Plan	3/1/13	3,266 Common
	Acquisition pursuant to TDS Director Plan	3/3/14	3,277 Common
	Acquisition pursuant to TDS DRP	Start Date to End Date	8,684 Common
	Acquisition pursuant to TDS DRP	Start Date to End Date	41,982 Series A
Clarence A. Davis	Acquisition pursuant to TDS Director Plan	3/1/13	3,267 Common
	Acquisition pursuant to TDS Director Plan	3/3/14	3,277 Common
	Disposition of shares	6/4/13	2,186 Common
	Disposition of shares	9/10/13	800 Common
	Disposition of shares	12/4/13	250 Common
Kenneth R. Meyers	Grant of options pursuant to TDS LTIP	5/16/12	225,300 Common
	Grant of RSUs pursuant to TDS LTIP	5/16/12	26,900 Common
	Issuance of shares upon vesting of RSUs	12/15/12	17,000 Common
	Shares delivered or withheld for payment of taxes	12/15/12	5,346 Common
	Acquisition pursuant to Deferred Compensation	3/15/13	8,281 Common
	Grant of options pursuant to TDS LTIP	5/10/13	177,319 Common
	Grant of RSUs pursuant to TDS LTIP	5/10/13	29,909 Common
	Issuance of shares upon vesting of RSUs	12/2/13	16,700 Common
	Shares delivered or withheld for payment of taxes	12/2/13	5,402 Common
	Acquisition pursuant to Deferred Compensation	3/13/14	8,913 Common
	Acquisition pursuant to TDS DRP	Start Date to End Date	973 Common
	Acquisition pursuant to the TDS 401(k) Plan.	Start Date to End Date	169 Common
	Donald C. Nebergall	Acquisition pursuant to TDS Director Plan	3/1/13
Acquisition pursuant to TDS Director Plan		3/3/14	3,277 Common
Acquisition pursuant to TDS DRP		Start Date to End Date	851 Common
Acquisition pursuant to TDS DRP		Start Date to End Date	124 Series A

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<i>Name</i>	<i>Nature of Transaction</i>	<i>Date of Transaction</i>	<i>Number of Securities and Designation</i>
George W. Off	Acquisition pursuant to TDS Director Plan	3/1/13	3,266 Common
	Acquisition pursuant to TDS Director Plan	3/3/14	3,277 Common
Christopher D. O'Leary	Acquisition pursuant to TDS Director Plan	3/1/13	3,267 Common
	Acquisition pursuant to TDS Director Plan	3/3/14	3,277 Common
Mitchell Saranow	Acquisition pursuant to TDS Director Plan	3/1/13	3,267 Common
	Acquisition pursuant to TDS Director Plan	3/3/14	3,277 Common
Gary L. Sugarman	Disposition of shares	11/5/13	8,200 Common
	Acquisition pursuant to TDS Director Plan	3/1/13	3,267 Common
	Acquisition pursuant to TDS DRP	Start Date to End Date	136 Common
Herbert S. Wander	Acquisition pursuant to TDS Director Plan	3/3/14	3,277 Common
	Acquisition pursuant to TDS Director Plan	3/1/13	3,266 Common
LeRoy T. Carlson	Acquisition pursuant to TDS Director Plan	3/3/14	3,277 Common
	Grant of options pursuant to TDS LTIP	5/16/12	51,400 Common
	Grant of RSUs pursuant to TDS LTIP	5/16/12	10,000 Common
	Issuance of shares upon vesting of RSUs	12/15/12	7,500 Common
	Shares delivered or withheld for payment of taxes	12/15/12	2,250 Common
	Acquisition pursuant to Deferred Compensation	3/15/13	9,726 Common
	Grant of options pursuant to TDS LTIP	5/10/13	39,382 Common
	Grant of RSUs pursuant to TDS LTIP	5/10/13	10,628 Common
	Shares acquired upon exercise of options	8/12/13	49,264 Common
	Shares delivered or withheld for payment of exercise price	8/12/13	42,697 Common
	Shares delivered or withheld for payment of taxes	8/12/13	2,124 Common
	Issuance of shares upon vesting of RSUs	12/2/13	7,200 Common
	Shares delivered or withheld for payment of taxes	12/2/13	2,160 Common
	Acquisition pursuant to Deferred Compensation	3/13/14	7,443 Common
	Acquisition pursuant to TDS DRP	Start Date to End Date	9,971 Common
Acquisition pursuant to TDS DRP	Start Date to End Date	4,480 Series A	
Douglas D. Shuma	Acquisition pursuant to the TDS 401(k) Plan.	Start Date to End Date	829 Common
	Grant of options pursuant to TDS LTIP	5/16/12	36,800 Common
	Grant of RSUs pursuant to TDS LTIP	5/16/12	5,000 Common

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<i>Name</i>	<i>Nature of Transaction</i>	<i>Date of Transaction</i>	<i>Number of Securities and Designation</i>
	Issuance of shares upon vesting of RSUs	12/15/12	3,200 Common
	Shares delivered or withheld for payment of taxes	12/15/12	1,094 Common
	Grant of options pursuant to TDS LTIP	5/10/13	29,814 Common
	Grant of RSUs pursuant to TDS LTIP	5/10/13	5,486 Common
	Shares acquired upon exercise of options	11/18/13	59,547 Common
	Disposition of shares	11/18/13	59,547 Common
	Issuance of shares upon vesting of RSUs	12/2/13	3,200 Common
	Shares delivered or withheld for payment of taxes	12/2/13	1,123 Common
	Acquisition pursuant to TDS DRP	Start Date to End Date	219 Common
Peter L. Sereda	Grant of options pursuant to TDS LTIP	5/16/12	54,700 Common
	Grant of RSUs pursuant to TDS LTIP	5/16/12	6,900 Common
	Issuance of shares upon vesting of RSUs	12/15/12	4,600 Common
	Shares delivered or withheld for payment of taxes	12/15/12	1,446 Common
	Grant of options pursuant to TDS LTIP	5/10/13	38,109 Common
	Grant of RSUs pursuant to TDS LTIP	5/10/13	7,682 Common
	Issuance of shares upon vesting of RSUs	12/15/12	4,500 Common
	Shares delivered or withheld for payment of taxes	12/15/12	1,455 Common
	Acquisition pursuant to the TDS 401(k) Plan	Start Date to End Date	18 Common
Jane W. McCahon	Grant of options pursuant to TDS LTIP	5/16/12	15,700 Common
	Grant of RSUs pursuant to TDS LTIP	5/16/12	2,300 Common
	Issuance of shares upon vesting of RSUs	12/15/12	1,500 Common
	Shares delivered or withheld for payment of taxes	12/15/12	471 Common
	Grant of options pursuant to TDS LTIP	5/10/13	12,761 Common
	Grant of RSUs pursuant to TDS LTIP	5/10/13	2,530 Common
	Disposition of shares	8/7/13	500 Common
	Shares acquired upon exercise of options	11/13/13	5,234 Common
	Disposition of shares	11/13/13	5,234 Common
	Issuance of shares upon vesting of RSUs	12/2/13	1,500 Common
	Shares delivered or withheld for payment of taxes	12/2/13	485 Common

(1)

Certain shares listed are held by such persons as trustees under a voting trust which expires June 30, 2035. Under the terms of the voting trust, the trustees hold and vote the TDS Common and Series A Common Shares held in the trust. Certain of such shares are held for the benefit of such trustee while other shares are held for the benefit of other persons. See additional information in the Proxy Statement. The above includes only transactions in which such persons do not disclaim a beneficial interest.

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D. MISCELLANEOUS INFORMATION CONCERNING TDS PARTICIPANTS

LeRoy T. Carlson, Jr. and Walter C.D. Carlson have agreed to serve as proxies in connection with the solicitation of proxy cards for the TDS Annual Meeting.

Except as disclosed in these Schedules or in the Proxy Statement, none of the TDS Participants named in Schedule I has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon at the Annual Meeting.

None of the TDS Participants, during the past ten years, has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

Except as disclosed in these Schedules or in the Proxy Statement, none of the TDS Participants (i) beneficially owns (within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934), directly or indirectly, any shares or other securities of TDS or (ii) has purchased or sold any of such securities within the past two years.

Except as disclosed in these Schedules or in the Proxy Statement, none of the TDS Participants named in Schedule I has borrowed or otherwise obtained funds for the purpose of acquiring or holding the securities identified in Schedule II.

Except as disclosed in these Schedules or in the Proxy Statement, none of the TDS Participants named in Schedule I is, or has been within the past year, a party to any contract, arrangement or understanding with any person with respect to any securities of TDS, including but not limited to, joint ventures, loan or option arrangements, puts or calls, guarantees against loss or guarantees of profit, division of losses or profits, or the giving or withholding of proxies.

Except as disclosed in these Schedules or in the Proxy Statement, none of the "associates" (as defined in Rule 14a-1(a) under the Securities Exchange Act of 1934) of any of the TDS Participants beneficially owns, directly or indirectly, any securities of TDS.

Except as disclosed in these Schedules or in the Proxy Statement, none of the TDS Participants named in Schedule I beneficially owns any securities of any subsidiary of TDS, directly or indirectly.

Except as set forth in these Schedules or in the Proxy Statement, there has not been any transaction (including any financial transaction, arrangement or relationship, including any indebtedness or guarantee of indebtedness or any series or similar transactions or relationships) since the beginning of TDS' last fiscal year, or any currently proposed transaction, in which TDS or any of its subsidiaries was or is to be a participant, in which the amount involved exceeds \$120,000, and in which any of the TDS Participants named in Schedule I, or any of their associates, has had or will have a direct or indirect material interest.

Except as set forth in these Schedules or in the Proxy Statement, none of TDS, any of the TDS Participants or any of their associates has any arrangement or understandings with any person with respect to (a) any future employment by TDS or its affiliates or (b) any future transactions to which TDS or any of its affiliates will or may be a party.

No person, other than a director or executive officer of TDS acting solely in that capacity, is a party to any arrangement or understandings pursuant to which a nominee for election as director is proposed to be elected.

