

UNITED STATES CELLULAR CORP
Form DEF 14A
April 11, 2017

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.)

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UNITED STATES CELLULAR
CORPORATION

8410 West Bryn Mawr Avenue
Chicago, Illinois 60631
Phone: (773) 399-8900
Fax: (773) 399-8936
April 11, 2017

Dear Fellow Shareholders:

You are cordially invited to attend the 2017 annual meeting of shareholders ("2017 Annual Meeting") of United States Cellular Corporation ("U.S. Cellular") on Tuesday, May 23, 2017, at 8:30 a.m., central time, at U.S. Cellular Plaza, 8430 W. Bryn Mawr Avenue, Chicago, Illinois. At the meeting, we will report on the accomplishments and plans of U.S. Cellular.

The Notice of 2017 Annual Meeting of Shareholders and 2017 Proxy Statement ("2017 Proxy Statement") of our board of directors is attached. Also enclosed is our 2016 Annual Report to shareholders ("2016 Annual Report"). At the 2017 Annual Meeting, shareholders are being asked to take the following actions:

1. Elect members of the board of directors nominated by our board of directors and named in the attached 2017 Proxy Statement.
2. Ratify the selection of independent registered public accountants for the current fiscal year.
3. Approve, on an advisory basis, the compensation of our named executive officers as disclosed in the attached 2017 Proxy Statement (commonly known as "Say-on-Pay").
4. Approve, on an advisory vote on whether future Say-on-Pay votes should be held every year, every two years or every three years (commonly known as "Say-on-Frequency").

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

Considerations relating to the Say-on-Pay Proposal

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

Highlights of the U.S. Cellular compensation programs:

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

- ◆ Other executive compensation is approved by U.S. Cellular's Chairman, LeRoy T. Carlson, Jr., who is also a director and President and Chief Executive Officer of U.S. Cellular's parent company, Telephone and Data Systems, Inc. ("TDS"). Mr. Carlson's position with TDS, which is the majority shareholder of U.S. Cellular, permits him to represent the interests of all shareholders of U.S. Cellular in his compensation decisions. Mr. Carlson does not receive any compensation directly from U.S. Cellular and is compensated by TDS.
- ◆ We designed our compensation programs to motivate executive officers to act in the long-term interests of U.S. Cellular.
- ◆ Our executive officer compensation levels are based in part on competitive market compensation data supplied by our compensation consultant, Willis Towers Watson.
- ◆ A major compensation goal is to provide compensation and benefit programs that we believe are both competitive and fiscally responsible.
- ◆ We provide few perquisites ("perks") to our officers.
- ◆ We believe our executive bonus program is appropriately balanced between company and individual performance.

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2016 Compensation

The primary financial focus of U.S. Cellular is to increase long-term shareholder value. We believe revenues, adjusted earnings before interest, taxes, depreciation and amortization, and managing capital expenditures drive long-term shareholder value. Therefore, compensation decisions are made considering these performance measures, as well as all other appropriate facts and circumstances, including factors such as customer growth and employee engagement.

Our executive officers' 2016 compensation was comprised of a mix of base salary, annual cash bonuses and equity-based, long-term incentive awards.

- ◆ When setting 2016 base salaries, we considered the competitive market compensation data supplied by our compensation consultant, the executive officers' personal accomplishments and their overall contribution to the success of the organization. Please refer to a description of each named executive officer's base salary in the attached 2017 Proxy Statement under "Compensation Discussion and Analysis—Annual Cash Compensation—Base Salary".
- ◆ Bonus awards for 2016 performance paid in 2017 were based on company performance (60%), the Chairman's assessment of strategic initiatives (10%) and individual performance (30%). For 2016, we determined that U.S. Cellular's results produced a payout of 130.7% of target for the company performance factor. Please refer to a description of U.S. Cellular's 2016 performance in the attached 2017 Proxy Statement under "Compensation Discussion and Analysis—Company Performance" and a description of each named executive officer's bonus in the attached 2017 Proxy Statement under "Compensation Discussion and Analysis—Annual Cash Compensation—Bonus".
- ◆ Long-term equity compensation awards to executive officers in 2016 were based, in part, on the company's achievement of 130.1% of the target company performance for 2015 and the individual performance of each executive officer in 2015. Stock options, restricted stock units and bonus match units generally vest over several years, thereby tying long-term executive compensation to increases in shareholder value over the same period. Please refer to a description of each named executive officer's 2016 long-term equity compensation awards in the attached 2017 Proxy Statement under "Compensation Discussion and Analysis—Long-Term Equity Compensation".

Changes to Compensation Policies

During 2016, certain changes were made to the executive compensation policies. The performance measures considered in evaluating U.S. Cellular quantitative performance under the 2016 Executive Officer Bonus Plan were revised from the similar bonus plan in 2015 and a new performance measure, "Customer Engagement" was included. The weightings of the performance measures are now Consolidated Total Revenues (from 40% in 2015 to 35% in 2016), Consolidated EBITDA (from 35% in 2015 to 30% in 2016), Consolidated Capital Expenditures (from 25% in 2015 to 20% in 2016), and Customer Engagement (N/A in 2015 and 15% in 2016). If the maximum performance or greater is achieved, 225% of the bonus opportunity for that metric will be funded (which is the same as used in 2015), except with respect to Customer Engagement for which 200% of the bonus opportunity will be funded. For more information on this change, please refer to the attached 2017 Proxy Statement under "Compensation Discussion and Analysis—Changes to Compensation Policies."

Beginning in 2017, the LTICC will be adding performance-based shares and removing stock options from the Long-Term Incentive Program.

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Corporate Governance

U.S. Cellular, and TDS in its capacity as U.S. Cellular's parent and controlling shareholder, endeavor to follow good corporate governance practices. For instance, U.S. Cellular has established a Long-Term Incentive Compensation Committee composed only of independent directors with authority over long-term equity compensation, even though it is not required to do so under law, Securities and Exchange Commission regulations or New York Stock Exchange listing requirements because it is controlled by TDS. Other executive compensation is approved by U.S. Cellular's Chairman, LeRoy T. Carlson, Jr., who is also a director and President and Chief Executive Officer of TDS, the majority and largest shareholder of U.S. Cellular. Additional information relating to U.S. Cellular's good corporate governance practices and other best practices is set forth in the Corporate Governance section of the attached Proxy Statement.

We encourage you to read the Compensation Discussion and Analysis in the attached 2017 Proxy Statement for a detailed discussion and analysis of our executive compensation program, including information about the fiscal 2016 compensation of our named executive officers.

Our board of directors and members of our management team will be at the 2017 Annual Meeting to meet with you and discuss our record of achievement and plans for the future. Your vote is important. Therefore, please sign and return the enclosed proxy card, whether or not you plan to attend the meeting. We look forward to visiting with you at the 2017 Annual Meeting.

Very truly yours,

LeRoy T. Carlson, Jr.
Chairman

Kenneth R. Meyers
President and Chief Executive Officer

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NOTICE OF 2017 ANNUAL MEETING OF SHAREHOLDERS AND 2017 PROXY STATEMENT

TO THE SHAREHOLDERS OF

UNITED STATES CELLULAR CORPORATION

We will hold the 2017 annual meeting of the shareholders ("2017 Annual Meeting") of United States Cellular Corporation ("U.S. Cellular"), a Delaware corporation, at U.S. Cellular Plaza, 8430 W. Bryn Mawr Avenue, Chicago, Illinois, on Tuesday, May 23, 2017, at 8:30 a.m., central time. At the meeting, we are asking shareholders to take the following actions:

1. To elect members of the board of directors nominated by your board of directors and named in this proxy statement. Your board of directors unanimously recommends that you vote FOR its nominees.
2. To ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accountants for the year ending December 31, 2017. Your board of directors unanimously recommends that you vote FOR this proposal.
3. To approve, on an advisory basis, the compensation of our named executive officers as disclosed herein (commonly known as "Say-on-Pay"). Your board of directors unanimously recommends that you vote FOR the Say-on-Pay proposal.
4. To approve, on an advisory basis, the Say-on-Pay frequency. Your board of directors unanimously recommends you vote EVERY YEAR on the Say-on-Pay frequency proposal.
5. To transact such other business as may properly come before the meeting or any postponement, adjournment or recess thereof.

We have fixed the close of business on March 27, 2017, as the record date for the determination of shareholders entitled to notice of, and to vote at, the 2017 Annual Meeting or any postponement, adjournment or recess thereof.

We are first sending this Notice of 2017 Annual Meeting of Shareholders and 2017 Proxy Statement, together with our 2016 Annual Report, on or about April 11, 2017 to shareholders who are receiving a paper copy of the proxy materials. We made arrangements to commence mailing a Notice of Internet Availability of Proxy Materials on or about April 11, 2017 to other shareholders as discussed below.

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**IMPORTANT NOTICE REGARDING INTERNET AVAILABILITY OF PROXY MATERIALS
FOR THE SHAREHOLDERS MEETING TO BE HELD ON MAY 23, 2017**

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

Effective April 11, 2017, the following documents are available at www.uscellular.com under About Us—Investor Relations—Proxy Vote, or at investors.uscellular.com/proxyvote:

1. 2017 Proxy Statement
2. 2016 Annual Report
3. Form of Proxy Card
4. Notice of Internet Availability of Proxy Materials

Under SEC rules, proxy materials are being furnished to many of our shareholders via the Internet, instead of mailing printed copies of those materials to each shareholder. Beginning April 11, 2017, U.S. Cellular made arrangements to commence sending certain shareholders a Notice of Internet Availability of Proxy Materials (the "Notice") containing instructions on how to access our proxy materials, including our 2017 Proxy Statement and 2016 Annual Report. The Notice also instructs shareholders on how to vote through the Internet.

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

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

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

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

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

In addition, all additional soliciting materials sent to shareholders or made public after this Notice has been sent will be made publicly accessible at the above website address no later than the day on which such materials are first sent to shareholders or made public.

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The location where the 2017 Annual Meeting will be held is on the first floor of the U.S. Cellular Plaza, 8430 W. Bryn Mawr Avenue, Chicago. This building is just south of Interstate 90 and approximately one block west of Cumberland Avenue.

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UNITED STATES CELLULAR CORPORATION

2017 PROXY STATEMENT

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SUMMARY

The following is a summary of the actions being taken at the 2017 Annual Meeting and does not include all of the information that may be important to you. You should carefully read this entire 2017 Proxy Statement and not rely solely on the following summary.

Proposal 1—Election of Directors

Under the terms of U.S. Cellular's Restated Certificate of Incorporation ("Restated Charter") the terms of all incumbent directors will expire at the 2017 Annual Meeting.

The holders of Common Shares are entitled to elect four directors at the 2017 Annual Meeting. Your board of directors has nominated the following incumbent directors for election as directors by the holders of Common Shares in 2017: J. Samuel Crowley, Harry J. Harczak, Jr., Gregory P. Josefowicz and Cecelia D. Stewart.

TDS, as the sole holder of Series A Common Shares, is entitled to elect nine directors at the 2017 Annual Meeting. Your board of directors has nominated the following incumbent directors for election as directors by the holder of Series A Common Shares in 2017: James Barr III, Steven T. Campbell, LeRoy T. Carlson, Jr., Walter C. D. Carlson, Ronald E. Daly, Kenneth R. Meyers, Peter L. Sereda, Douglas D. Shuma, and Kurt B. Thaus.

Paul-Henri Denuit who was elected by the holders of the Common Shares will not stand for reelection at the 2017 annual meeting. Following the 2017 annual meeting, the size of the U.S. Cellular board of directors will be reduced to 13 directors.

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

Proposal 2—Ratification of Independent Registered Public Accounting Firm for 2017

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, 2017.

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

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

As required by the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), at the 2017 Annual Meeting, shareholders are being asked to approve, on an advisory basis, the compensation of our named executive officers for 2016 as disclosed in this 2017 Proxy Statement.

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

Proposal 4— Advisory Vote on Frequency of Say-on-Pay Votes or "Say-on-Frequency"

As required by the Dodd-Frank Act, shareholders are being asked to provide an advisory vote on whether future Say-on-Pay votes should be held every year, every two years, or every three years (commonly known as "Say-on-Frequency").

Your board of directors unanimously recommends that you vote for holding future Say-on-Pay votes EVERY YEAR.

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VOTING INFORMATION

Voting Rights

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

What is the record date for the meeting?

The close of business on March 27, 2017 is the record date for the determination of shareholders entitled to notice of, and to vote at, the 2017 Annual Meeting or any postponement, adjournment or recess thereof.

A complete list of shareholders entitled to vote at the 2017 Annual Meeting, arranged in alphabetical order and by voting group, showing the address of and number of shares held by each shareholder, will be made available at the offices of U.S. Cellular, 8410 West Bryn Mawr Avenue, Chicago, Illinois 60631, for examination by any shareholder, for any purpose germane to the 2017 Annual Meeting, during normal business hours, for a period of at least ten days prior to the 2017 Annual Meeting.

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

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

- ◆ Common Shares; and
- ◆ Series A Common Shares.

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

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

On the record date, U.S. Cellular had outstanding 51,877,429 Common Shares, par value \$1.00 per share (excluding 3,190,572 Common Shares held by U.S. Cellular and a subsidiary of U.S. Cellular), and 33,005,877 Series A Common Shares, par value \$1.00 per share. As of the record date, no shares of Preferred Stock, par value \$1.00 per share, of U.S. Cellular were outstanding.

Telephone and Data Systems, Inc., a Delaware corporation (NYSE: TDS), which we refer to as "TDS", is the sole holder of Series A Common Shares and holds 37,782,826 Common Shares, representing approximately 72.8% of the outstanding Common Shares. By reason of such holdings, TDS has the voting power to elect all of the directors of U.S. Cellular and has approximately 96.3% of the voting power with respect to matters other than the election of directors. The Voting Trust under Agreement dated June 30, 1989, as amended (the "TDS Voting Trust") controls TDS.

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

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

Class or Series of Common Stock	Outstanding Shares	Votes per Share	Total Voting Power	Total
				Number of Directors Elected by Class or Series
Series A Common Shares	33,005,877	10	330,058,770	9
Common Shares	51,877,429	1	51,877,429	4
Total	N/A	N/A	N/A	13

TDS, as the sole holder of Series A Common Shares, is entitled to elect nine of the directors at the 2017 Annual Meeting. The holders of Common Shares are entitled to elect four of the directors at the 2017 Annual Meeting.

Director Voting Sunset Provision.

As noted above, the holders of Series A Common Shares and holders of Common Shares vote separately in the election of directors. However, pursuant to U.S. Cellular's Restated Charter, if the number of Series A Common Shares issued and outstanding at any time falls below 12.5% of the number of outstanding shares of common stock, because of the conversion of Series A Common Shares into Common Shares or otherwise, the holder of Series A Common Shares would lose the right to vote as a separate class, and thereafter the holder of Series A Common Shares, with ten votes per share, and the holders of Common Shares, with one vote per share, would vote as a single class in the election of all directors.

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

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

Class or Series of Common Stock	Outstanding Shares	Votes per Share	Total Voting Power	Percent
Series A Common Shares	33,005,877	10	330,058,770	86.4%
Common Shares	51,877,429	1	51,877,429	13.6%
Total	N/A	N/A	381,936,199	100.00%

Voting Power Sunset Provision.

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

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

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

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

Your board of directors unanimously recommends a vote FOR its nominees for election as directors.

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

Shareholders may, with respect to the proposal to ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2017:

- ◆ 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 Say-on-Pay proposal in Proposal 3?

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

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

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

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

Shareholders may, with respect to Say-on-Frequency in Proposal 4, vote for the Say-on-Pay votes to be held:

- ◆ Every year,
- ◆ Every two years,
- ◆ Every three years, or
- ◆ ABSTAIN from voting on this proposal.

Your board of directors unanimously recommends a vote for holding future Say-on-Pay votes EVERY YEAR.

How does TDS intend to vote?

TDS is the sole holder of Series A Common Shares and on the record date held 33,005,877 Series A Common Shares. By reason of such holding, TDS has the voting power to elect all of the directors to be elected by the Series A Common Shares. TDS also held 37,782,826 Common Shares on the record date, representing approximately 72.8% of the Common Shares. By reason of such holding, TDS has approximately 72.8% of the voting power with respect to the election of the directors to be elected by the holders of Common Shares. By reason of the foregoing holdings, TDS has approximately 96.3% of the voting power with respect to matters other than the election of directors.

TDS has advised us that it intends to vote:

- ◆ FOR the board of directors' nominees for election by the holder of Series A Common Shares and the board of directors' nominees for election by the holders of Common Shares,

- ◆ FOR the proposal to ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2017,
- ◆ FOR the Say-on-Pay proposal, and
- ◆ For holding future Say-on-Pay votes EVERY YEAR.

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How do I vote?

Proxies are being requested from the holders of Common Shares in connection with the election of four directors, the ratification of independent registered public accountants, the Say-on-Pay proposal and the Say-on-Frequency proposal. Whether or not you plan to attend the meeting, please sign, date and mail your proxy card(s) in the enclosed self-addressed envelope to Proxy Services, c/o Computershare Trust Company, N.A., P.O. Box 30170, College Station, TX 77842-3170, or vote on the Internet using the control/identification number on your proxy card in accordance with the instructions set forth on the proxy card. You have the power to revoke your proxy at any time before it is voted, and the giving of a proxy will not affect your right to vote in person if you attend the 2017 Annual Meeting.

How will proxies be voted?

All properly voted and unrevoked proxies received using the enclosed form in time for the 2017 Annual Meeting will be voted in the manner directed.

If no direction is made, a proxy by a shareholder will be voted FOR the election of each of the named director nominees to serve as a director in Proposal 1, FOR Proposal 2, FOR Proposal 3 and, for holding Say-on-Pay votes EVERY YEAR in Proposal 4.

If a proxy indicates that all or a portion of the votes represented by such proxy are not being voted or abstained with respect to a particular matter, and the shareholder giving such proxy does not attend and vote at the 2017 Annual Meeting, 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 2017 Annual Meeting by written notice to the Secretary of U.S. Cellular, by submitting a later dated proxy or by attendance and voting in person at the 2017 Annual Meeting.

The board of directors has no knowledge of any other proposals that may be properly presented at the 2017 Annual Meeting and no other proposals were received by U.S. Cellular by the date specified by the advance notice provision in U.S. Cellular's Bylaws. Accordingly, as permitted by SEC rules, the proxy solicited by the board of directors for the 2017 Annual Meeting confers discretionary authority to the proxies named therein to vote on any matter that may properly come before such meeting or any adjournment, postponement or recess thereof, in addition to the foregoing proposals, to the extent permitted by Rule 14a-4(c) under the Securities Exchange Act of 1934, as amended.

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, votes on Say-on-Frequency, the approval of an equity compensation plan, and shareholder proposals are non-discretionary items. In such cases, if your broker does not have specific or standing instructions, your shares will be treated as non-votes and will not be voted on such matters. Accordingly, we urge you to provide instructions to your broker so that your votes may be counted on all matters. If your shares are held in street name, your broker will include a voting instruction form with this 2017 Proxy Statement. We strongly encourage you to vote your shares by following the instructions provided on the voting instruction form. Please return your voting instruction form to your broker and/or contact your broker to ensure that a proxy card is voted on your behalf.

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What constitutes a quorum for the meeting?

A majority of the voting power of shares of capital stock in matters other than the election of directors and entitled to vote, present in person or represented by proxy, will constitute a quorum to permit the 2017 Annual Meeting to proceed. Withheld votes and abstentions of shares entitled to vote and non-votes will be treated as present in person or represented by proxy for purposes of establishing a quorum for the meeting. If such a quorum is present or represented by proxy, the meeting can proceed. If the shares beneficially owned by TDS are present in person or represented by proxy at the 2017 Annual Meeting, such shares will constitute a quorum at the 2017 Annual Meeting to permit the meeting to proceed. In addition, where a separate vote by a class or group is required with respect to a proposal, a quorum is also required with respect to such proposal for the vote to proceed with respect to such proposal.

In the election of directors, where a separate vote by a class or voting group is required, the holders of a majority of the votes of the stock of such class or voting group, present in person or represented by proxy, will constitute a quorum entitled to take action with respect to that vote on that matter. Withheld votes by shares entitled to vote with respect to a director and non-votes with respect to such director will be treated as present in person or represented by proxy for the purpose of establishing a quorum for the election of such director. If the shares beneficially owned by TDS are present in person or represented by proxy at the 2017 Annual Meeting, such shares will constitute a quorum at the 2017 Annual Meeting with respect to the nine directors to be elected by the Series A Common Shares and with respect to the four directors to be elected by the Common Shares.

The holders of a majority of the votes of the stock issued and outstanding and entitled to vote with respect to the other proposals, present in person or represented by proxy, will constitute a quorum at the 2017 Annual Meeting in connection with such other proposals. Abstentions from voting on such proposals by shares entitled to vote on such proposals and non-votes with respect to such proposals will be treated as present in person or represented by proxy for the purpose of establishing a quorum for such proposals. If the shares beneficially owned by TDS are present in person or represented by proxy at the 2017 Annual Meeting, such shares will constitute a quorum at the 2017 Annual Meeting in connection with such proposals.

Even if a quorum is present, the holders of a majority of the voting stock present in person or represented by proxy may adjourn the 2017 Annual Meeting. Because it holds a majority of the voting power of all classes of stock, TDS has the voting power to approve an adjournment. U.S. Cellular does not currently have any expectation that the 2017 Annual Meeting would be adjourned for any reason. However, if there is a proposal to adjourn the 2017 Annual Meeting by a vote of the shareholders, the persons named in the enclosed proxy will have discretionary authority to vote with respect to such adjournment.

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

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

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

Accordingly, if a quorum of such shares is present at the 2017 Annual Meeting, the person receiving a plurality of the votes cast by holders of such shares entitled to vote with respect to the election of such director will be elected to serve as a director. Withheld votes and non-votes with respect to the election of directors will not be counted as votes

cast for the purpose of determining if a director has received a plurality of the votes.

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

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

The holders of Common Shares and Series A Common Shares will vote together as a single group with respect to Proposals 2, 3 and 4. Each holder of Common Shares is entitled to one vote for each Common Share held in such holder's name. TDS as the sole holder of Series A Common Shares is entitled to ten votes for each Series A Common Share held in its name.

If a quorum is present at the 2017 Annual Meeting, Proposals 2 and 3 will require the affirmative vote of a majority of the voting power of the Common Shares and Series A Common Shares voting together and present in person or represented by proxy and entitled to vote on such matter at the 2017 Annual Meeting. An abstention from voting on such proposal will not be an affirmative vote and, as a result, will effectively be treated as a vote against such proposal. Although non-votes may be included for the purpose of determining a quorum, they will not be treated as entitled to vote on Proposals 2 and 3 at the 2017 Annual Meeting and, therefore, will not be included in the calculation of whether these proposals have received the requisite vote.

What vote is required with respect to Proposal 4?

The holders of Common Shares and Series A Common Shares will vote together as a single group with respect to Proposal 4. Each holder of Common Shares is entitled to one vote for each Common Share held in such holder's name. TDS as the sole holder of Series A Common Shares is entitled to ten votes for each Series A Common Share held in its name.

Accordingly, if a quorum is present at the 2017 Annual Meeting, the frequency receiving a plurality of the votes cast by shareholders entitled to vote with respect to Proposal 4 will be considered to be the shareholders' recommendation as to the frequency of future Say-on-Pay votes. Withheld votes and broker non-votes with respect to Proposal 4 will not be counted as votes cast for purposes of Proposal 4.

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ELECTION OF DIRECTORS

The terms of all incumbent directors will expire at the 2017 Annual Meeting. The board of directors' nominees for election as directors are identified in the table below. Each of the nominees has consented to be named in the 2017 Proxy Statement and to serve if elected. The age of the following persons is as of the date of this 2017 Proxy Statement.

To be Elected by Holders of Common Shares

Name	Age	Position with U.S. Cellular and Principal Occupation	Served as Director since
J. Samuel Crowley	66	Director of U.S. Cellular, Former executive at Gold's Gym International, Inc., Michaels Stores, Inc. and CompUSA, Inc.	1998
Harry J. Harczak, Jr.	60	Director of U.S. Cellular, Managing Director of Sawdust Capital, LLC and former Executive Vice President at CDW Corporation	2003
Gregory P. Josefowicz	64	Director of U.S. Cellular, Former Chairman, Chief Executive Officer and President of Borders Group, Inc.	2009
Cecelia D. Stewart	58	Director of U.S. Cellular, Former President of U.S. Consumer and Commercial Banking of Citigroup Inc.	2013

Cecelia D. Stewart has been nominated for election as a director to succeed Mr. Paul-Henri Denuit. Ms. Stewart was previously elected by the holder of Series A Common Shares.

To be Elected by Holder of Series A Common Shares

Name	Age	Position with U.S. Cellular and Principal Occupation	Served as Director since
James Barr III	77	Director of U.S. Cellular, Retired President and Chief Executive Officer of TDS Telecommunications Corporation	2009
Steven T. Campbell	65	Director and Executive Vice President-Finance, Chief Financial Officer and Treasurer of U.S. Cellular	2014
LeRoy T. Carlson, Jr.	70	Chairman and Director of U.S. Cellular and President and Chief Executive Officer of TDS	1984
Walter C. D. Carlson	63	Director of U.S. Cellular, non-executive Chairman of the Board of TDS and Partner, Sidley Austin LLP, Chicago, Illinois	1989
	70		2004

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Ronald E. Daly Director of U.S. Cellular, Former President and Chief Executive Officer of Océ-USA Holding, Inc. and former President of the Printing Solutions division of R.R. Donnelley, Inc.

Kenneth R. Meyers 63 Director and President and Chief Executive Officer of U.S. Cellular 1999

Peter L. Sereda 58 Director of U.S. Cellular and Senior Vice President – Finance and Treasurer of TDS 2014

Douglas D. Shuma 56 Director and Chief Accounting Officer of U.S. Cellular and Senior Vice President – Finance and Chief Accounting Officer of TDS 2014

Kurt B. Thaus 58 Director of U.S. Cellular and Senior Vice President and Chief Information Officer of TDS 2014

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

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Background of Board of Directors' Nominees

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

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

Nominees for Election by Holders of Common Shares

J. Samuel Crowley. J. Samuel Crowley was last elected as a director by the holders of Common Shares at the 2016 annual meeting. The following provides information on the background of Mr. Crowley, including the specific factors that led to the conclusion that he should serve as a director of U.S. Cellular.

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

Mr. Crowley is currently a private investor.

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

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

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

Prior to that, Mr. Crowley was employed for more than five years by CompUSA, Inc. which, before it was acquired, was a national retailer and reseller of personal computers and had been listed on the NYSE (formerly NYSE: CPU). Mr. Crowley was part of the team that founded CompUSA and took the company public on the NYSE in 1992. He served in several roles as vice president and then was named executive vice president of operations in 1995, a position that he held until the company was acquired in 2000.

Between 2014 and August 2016, Mr. Crowley was a director and a member and chairman of the audit committee of Goodman Networks, which provides network products and services to wireless companies. Mr. Crowley had been designated as an "audit committee financial expert" by Goodman Networks. Goodman Networks does not have any publicly traded common stock but, as a result of its registration with the SEC of notes in 2013, files periodic reports with the SEC. Goodman Networks provided network products and services on a regular basis to U.S. Cellular and/or its affiliates through 2015. In 2016, U.S. Cellular did not make any purchases from Goodman Networks. Mr. Crowley resigned from the Goodman board in August 2016.

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In 2013, the National Association of Corporate Directors (NACD) named Mr. Crowley a NACD Fellow recognizing his commitment to the highest standards of boardroom leadership.

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

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

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

Harry J. Harczak, Jr. Harry J. Harczak, Jr. was last elected as a director by the holders of Common Shares at the 2016 annual meeting. The following provides information on the background of Mr. Harczak, including the specific factors that led to the conclusion that he should serve as a director of U.S. Cellular.

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

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

Mr. Harczak was appointed to the Board of Trustees of XA Investments, a registered investment fund, in October 2016.

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

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

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

Mr. Harczak is a director of Jail Education Solutions, Inc., a private company doing business as Edovo, which provides education services to correctional facilities.

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

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

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

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

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Gregory P. Josefowicz. Gregory P. Josefowicz was last elected as a director by the holders of Common Shares at the 2016 annual meeting. The following provides information on the background of Mr. Josefowicz, including the specific factors that led to the conclusion that he should serve as a director of U.S. Cellular.

Mr. Josefowicz has significant experience with U.S. Cellular and the wireless industry, having served as a director of U.S. Cellular since 2009 and a member of its Audit Committee from 2010 to 2015 and a member of its LTICC since 2015. Mr. Josefowicz was a director of TDS between 2007 and 2009.

Mr. Josefowicz is currently a private investor. He previously served as a non-exclusive, senior level consultant to Borders Group, Inc. (NYSE: BGP), a global retailer of books, music and movies, between 2006 and 2008. From 1999 until his retirement in 2006, Mr. Josefowicz served as a director and president and chief executive officer, and was named chairman of the board in 2002, of Borders Group which, at the time, had over 14,000 employees worldwide.

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

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

Mr. Josefowicz is a member of the board of directors of KeHE Distributors, LLC, an employee-owned company which distributes food products to retailers in North America, since 2006.

Mr. Josefowicz has been a member of the board of directors of Empire Company Limited, (TSX: EMP.A), a Canadian public company with business in retailing and related real estate, since June 2016 and is a member of its human resources committee.

Mr. Josefowicz was formerly a director of Roundy's, Inc. (formerly NYSE: RNDY), a leading grocer in the Midwest, between 2012 and 2015. He was the "lead director" of Roundy's, a member and chairperson of its nominating and corporate governance committee, and a member of its audit committee and of its compensation committee. Roundy's, Inc. was acquired by and became a wholly-owned subsidiary of The Kroger Company in 2015.

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

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

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

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

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

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

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

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

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

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Cecelia D. Stewart. Cecelia D. Stewart was last elected as a director by the holder of Series A Common Shares at the 2016 annual meeting. The following provides information on the background of Ms. Stewart, including the specific factors that led to the conclusion that she should serve as a director of U.S. Cellular.

Ms. Stewart has experience with U.S. Cellular and the wireless industry by having served as a director of U.S. Cellular since 2013. Ms. Stewart is also a member of the LTICC and Technology Advisory Group ("TAG") Committee.

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

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

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

Ms. Stewart has been a director of First Horizon National Corporation (NYSE: FHN), a bank holding company providing regional banking and other financial services primarily in Tennessee and surrounding markets, since 2014. She also serves as a member of this company's audit committee and trust committee and is chairperson of its information technology committee.

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

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

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

Nominees for Election by Holder of Series A Commons Shares

James Barr III. James Barr III was last elected as a director by the holder of Series A Common Shares at the 2016 annual meeting. The following provides information on the background of Mr. Barr, including the specific factors that led to the conclusion that he should serve as a director of U.S. Cellular.

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

Mr. Barr is currently a private investor.

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

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

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

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

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

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

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

Steven T. Campbell. Steven T. Campbell was last elected as a director by the holder of Series A Common Shares at the 2016 annual meeting. The following provides information on the background of Mr. Campbell, including the specific factors that led to the conclusion that he should serve as a director of U.S. Cellular.

Mr. Campbell has significant experience with U.S. Cellular and the wireless industry, having served as an executive officer of U.S. Cellular since 2005 and as a director of U.S. Cellular since 2014.

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

Mr. Campbell joined U.S. Cellular as Vice President and Controller in 2005. Prior to joining U.S. Cellular, Mr. Campbell held senior finance and accounting positions at 3Com Corporation (formerly NASDAQ: COMS), which was a digital electronics manufacturer, U.S. Robotics Corporation (formerly NASDAQ: USRX), a data communications company that manufactured modems and related products prior to its acquisition by 3Com in 1997, and Amoco Corporation (formerly NYSE: AN), which was an integrated petroleum company. He began his finance and accounting career with PricewaterhouseCoopers LLP.

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

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

LeRoy T. Carlson, Jr. LeRoy T. Carlson, Jr. was last elected as a director by the holder of Series A Common Shares at the 2016 annual meeting. The following provides information on the background of Mr. Carlson, including the specific factors that led to the conclusion that he should serve as a director of U.S. Cellular.

Mr. Carlson has extensive experience with U.S. Cellular and the wireless industry as a director of U.S. Cellular since the time that U.S. Cellular was founded in 1984. He has also been a member of the U.S. Cellular Pricing Committee for many years. He is also chairperson of the U.S. Cellular TAG committee.

Mr. Carlson has been the Chairman (an executive officer) of U.S. Cellular since 1989.

Mr. Carlson is also TDS' President and Chief Executive Officer (an executive officer of TDS). He has been TDS' President since 1981 and its Chief Executive Officer since 1986 and he has served on TDS' board of directors since it was founded in 1968.

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

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

Mr. Carlson has bachelor's degree from Harvard College and an MBA from Harvard Graduate School of Business.

Mr. Carlson brings to the U.S. Cellular board of directors substantial experience, expertise and qualifications with respect to U.S. Cellular and the telecommunications industry as a result of his many years as a director and President and Chief Executive Officer of TDS, as a director and Chairman of U.S. Cellular and as a director and Chairman of TDS Telecom. As the senior executive officer of U.S. Cellular and of its parent, TDS, the board of directors considers it essential that Mr. Carlson serve on the U.S. Cellular board. Also, because he is a director and officer of TDS, the largest shareholder of U.S. Cellular, his participation on the U.S. Cellular board of directors permits him to represent the long-term interests of U.S. Cellular shareholders.

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

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Walter C. D. Carlson. Walter C. D. Carlson was last elected as a director by the holder of Series A Common Shares at the 2016 annual meeting. The following provides information on the background of Mr. Carlson, including the specific factors that led to the conclusion that he should serve as a director of U.S. Cellular.

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

Mr. Carlson has been a partner of the law firm of Sidley Austin LLP since 1986 and is a member of its executive committee. Mr. Carlson is an experienced litigator, and has represented clients in a variety of types of specialized and general commercial litigation.

Mr. Carlson has served on the board of directors of TDS since 1981 and has been TDS' non-executive Chairman of the Board since 2002. Mr. Carlson was a director of former TDS subsidiary Aerial Communications, Inc. (formerly NASDAQ: AERL), which developed and operated wireless personal communications services.

Mr. Carlson has a bachelor's degree from Yale University and a J.D. from Harvard University.

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

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

Ronald E. Daly. Ronald E. Daly was last elected as a director by the holder of Series A Common Shares at the 2016 annual meeting. The following provides information on the background of Mr. Daly, including the specific factors that led to the conclusion that he should serve as a director of U.S. Cellular.

Ronald E. Daly has significant experience with U.S. Cellular and the wireless industry, having served as a director of U.S. Cellular since 2004. He is also a member of the U.S. Cellular LTICC and the TAG Committee. Mr. Daly is currently a private investor.

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

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

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

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

Mr. Daly is also a member of the board of directors of AARP, Inc. and also serves as a member of the board of directors of the AARP Foundation.

In addition, Mr. Daly has served as vice chairman of the Environmental Law and Policy Center board, president of the Leadership Greater Chicago Board, member of the Board of Trustees for the Chicago Symphony Orchestra, member of the Conference Board Council of Operating Executives and member of the National Black MBA Association.

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

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

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Kenneth R. Meyers. Kenneth R. Meyers was last elected as a director by the holder of Series A Common Shares at the 2016 annual meeting. The following provides information on the background of Mr. Meyers, including the specific factors that led to the conclusion that he should serve as a director of U.S. Cellular.

Mr. Meyers has extensive experience with U.S. Cellular and the wireless industry, including as a director of U.S. Cellular since 1999. In 2013, Kenneth R. Meyers was appointed President and Chief Executive Officer (an executive officer) of U.S. Cellular.

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

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

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

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

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

Peter L. Sereda. Peter L. Sereda was last elected as a director by the holder of Series A Common Shares at the 2016 annual meeting. The following provides information on the background of Mr. Sereda, including the specific factors that led to the conclusion that he should serve as a director of U.S. Cellular.

Mr. Sereda has extensive experience with U.S. Cellular and the wireless industry, having served as an executive officer of TDS since 1998 and as a director of U.S. Cellular since 2014.

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

Mr. Sereda joined TDS in 1998 as Vice President and Treasurer. Prior to joining TDS, Mr. Sereda held senior finance positions with Specialty Foods Corporation, a private producer of meat products, and Duchossois Industries, a private manufacturer of security, lighting and other products.

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

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

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Douglas D. Shuma. Douglas D. Shuma was last elected as a director by the holder of Series A Common Shares at the 2016 annual meeting. The following provides information on the background of Mr. Shuma, including the specific factors that led to the conclusion that he should serve as a director of U.S. Cellular.

Mr. Shuma has significant experience with U.S. Cellular and the wireless industry, having served as an executive officer of TDS since 2007 and as a director of U.S. Cellular since 2014.

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

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

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

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

Kurt B. Thaus. Kurt B. Thaus was last elected as a director by the holder of Series A Common Shares at the 2016 annual meeting. The following provides information on the background of Mr. Thaus, including the specific factors that led to the conclusion that he should serve as a director of U.S. Cellular.

Mr. Thaus has significant experience with U.S. Cellular and the wireless industry, having served as an executive officer of TDS since 2004 and as a director of U.S. Cellular since 2014.

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

Prior to joining TDS, Mr. Thaus held senior leadership positions with T-Systems North America, Inc., a subsidiary of T-Systems International, a private information and communication technology company that is wholly-owned by Deutsche Telekom, AG, and Waste Management, Inc. (NYSE: WM), a provider of waste management and environmental services.

Earlier in his career, Mr. Thaus assessed mechanical systems for nuclear power plants as a Senior Systems Engineer for Sargent & Lundy Engineers, a private company that provides consulting to the electric power industry.

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

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

Director Emeritus

LeRoy T. Carlson. LeRoy T. Carlson, formerly director emeritus of U.S. Cellular and Chairman Emeritus of TDS passed away in May 2016. Mr. Carlson was the father of LeRoy T. Carlson, Jr. and Walter C. D. Carlson.

Paul-Henri Denuit. Paul Henri-Denuit is a current director elected by the holders of Common shares whose term will expire at the 2017 Annual Meeting. Mr. Denuit has determined not to stand for election at the 2017 Annual Meeting. The U.S. Cellular board of directors will appoint Mr. Denuit as director emeritus following the expiration of his term at the 2017 Annual Meeting.

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CORPORATE GOVERNANCE

Board of Directors

The business and affairs of U.S. Cellular are managed by or under the direction of the board of directors. The board of directors currently consists of fourteen members but will be reduced to thirteen at the 2017 Annual Meeting. Holders of Common Shares elect 25% of the directors rounded up to the nearest whole number, or four directors based on a board size of thirteen directors. TDS, as the sole holder of Series A Common Shares, elects the remaining nine directors. As of the record date, TDS had 100% of the voting power in the election of such nine directors, approximately 72.8% of the voting power in the election of the remaining four directors and approximately 96.3% of the voting power in all other matters.

Board Leadership Structure

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

Board Role in Risk Oversight

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

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

As part of its oversight responsibilities, the U.S. Cellular board of directors reviews the Enterprise Risk Management (ERM) program which applies to TDS and all of its business units, including U.S. Cellular. This program was designed with the assistance of an outside consultant and was integrated into TDS' existing management and strategic

planning processes, including such processes of U.S. Cellular. The ERM program provides a common enterprise-wide language and discipline around risk identification, quantification and mitigation.

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

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

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

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

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

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Furthermore, TDS has established a TAG for TDS and its business units, including U.S. Cellular. The functions of the TAG include: reviewing, monitoring and informing the board of directors on technology matters, including spectrum, radio transmission, end user equipment, network technology, information technology, security, data storage, retrieval, and handling, and other matters relating to technology used or proposed to be used by TDS' business units and by their customers and by competitors of TDS' business units and by their customers, as well as developments and trends in the communication industry related to technology. This includes reviewing matters relating to technology security, threats, risks and internal controls, including safeguards, vulnerabilities, preparedness, disaster recovery plans, cybersecurity insurance and similar matters. Related to this, the U.S. Cellular board of directors established a TAG Committee of the board of directors that consists of directors who participate in the Technology Advisory Group. See below for further information on the U.S. Cellular TAG Committee and the Technology Advisory Group.

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

Board Oversight of Cybersecurity

U.S. Cellular believes oversight of cybersecurity risks is the responsibility of the full board of directors and receives annual updates regarding U.S. Cellular's assessment of threats and mitigation plans. The Audit Committee also exercises oversight for the control-related cybersecurity risks and mitigation plans and receives updates semi-annually. The Technology Advisory Group, as described above, also reviews cybersecurity topics semi-annually.

Director Independence and New York Stock Exchange Listing Standards

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

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

Meetings of Board of Directors

Our board of directors held five meetings during 2016. Each incumbent director attended at least 75% of the total number of meetings of the board of directors held during 2016 (during the period that such person was a director) and at least 75% of the total number of meetings held by each committee of the board on which such person served (during the period that such person served).

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Corporate Governance and Best Practices

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

- ◆ Annual election of directors
- ◆ U.S. Cellular has adopted Corporate Governance Guidelines that are intended to reflect good corporate governance and other best practices.
- ◆ The positions of (i) Chairman of the Board and (ii) President and Chief Executive Officer are separated.
- ◆ The Audit Committee, which is comprised entirely of independent directors as required, operates under a charter and in a manner that is intended to reflect good corporate governance and other best practices.
- ◆ The U.S. Cellular Chairman approves executive compensation, other than long-term equity-based compensation, ensuring the interests of shareholders are represented in compensation matters.
- ◆ Although not required to do so, U.S. Cellular has established a LTICC, comprised solely of independent directors, with responsibility for long-term equity-based compensation.
- ◆ The LTICC operates under a charter and in a manner that is intended to reflect good corporate governance and other best practices.
- ◆ The LTICC uses market compensation information supplied by our compensation consultant, Willis Towers Watson, as one factor in making executive officer long-term equity-based compensation decisions.
- ◆ Once each year as part of a board meeting, the board of directors discuss corporate governance generally, including the allocation of seats between independent and non-independent directors.
- ◆ U.S. Cellular holds an annual "Say-on-Pay" vote.
- ◆ Executive sessions are held with only independent directors present.
- ◆ U.S. Cellular has a policy prohibiting pledging and hedging of company shares.
- ◆ The U.S. Cellular Charter and Bylaws can be amended by a simple majority vote.

Corporate Governance Guidelines

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

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

Board Self-Assessment. Pursuant to these Guidelines, under the leadership of the Chairman, the board of directors performed a self-assessment and evaluated its performance and effectiveness as a board in 2016. This self-assessment covered matters relating to board meetings, board composition, committees, board oversight, and other matters.

Audit Committee

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

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

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As a controlled company, U.S. Cellular is required to have at least three directors who qualify as independent to serve on the Audit Committee. The U.S. Cellular Audit Committee currently has four members: J. Samuel Crowley (chairperson), James Barr III, Paul-Henri Denuit and Harry J. Harczak, Jr. Such directors must qualify as independent under the NYSE Listed Company Manual, including Section 303A.02(a) and Section 303A.02(b). Such directors must also qualify as independent under Section 303A.06, which incorporates the independence requirements of Rule 10A-3 under Section 10A-3 of the Securities Exchange Act of 1934, as amended (collectively, "Section 10A-3"). Except as required by listing standards or SEC rule, U.S. Cellular does not have any categorical standards of independence that must be satisfied. In addition, Ronald E. Daly, Gregory P. Josefowicz and Cecelia D. Stewart would qualify as independent directors under the listing standards of the NYSE. As a result, six of the thirteen incumbent directors who will continue as directors, or 46% of the directors, have been determined to qualify or would qualify as independent under the listing standards of the NYSE.

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.

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

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

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

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

The Audit Committee held nine meetings during 2016. Certain of these meetings were joint meetings with the TDS audit committee, which regularly meets with the U.S. Cellular Audit Committee.

Pre-Approval Procedures

The Audit Committee has adopted a policy pursuant to which all audit and non-audit services provided by U.S. Cellular's principal independent registered public accounting firm must be pre-approved by the Audit Committee. Under no circumstances may U.S. Cellular's principal independent registered public accounting firm provide services that are prohibited by the Sarbanes Oxley Act of 2002 or rules issued thereunder. Non-prohibited audit related services and certain tax and other services may be provided to U.S. Cellular, subject to such pre-approval process and prohibitions. The Audit Committee has delegated to the chairperson of the Audit Committee the authority to pre-approve specific services by the independent registered public accounting firm. In addition, specified services have been pre-approved in detail up to specified dollar limits pursuant to the policy. All services are required to be reported to the full Audit Committee at each of its regularly scheduled meetings.

Review, Approval or Ratification of Transactions with Related Persons

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

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Section 314.00 of the NYSE Listed Company Manual states that "Related party transactions normally include transactions between officers, directors, and principal shareholders and the company." In general, "related party transactions" would include transactions required to be disclosed in U.S. Cellular's 2017 Proxy Statement pursuant to Item 404 of Regulation S-K of the SEC. Pursuant to Item 404, U.S. Cellular is required to disclose any transaction, which includes any financial transaction, arrangement, or relationship (including any indebtedness or guarantee of indebtedness) or a series of transactions, that has taken place since the beginning of U.S. Cellular's last fiscal year or any currently proposed transaction in which: (1) U.S. Cellular was or is to be a participant, (2) the amount involved exceeds \$120,000 and (3) any "related person" had or will have a direct or indirect material interest in the transaction during any part of the fiscal year. For this purpose, in general, the term "related person" includes any director or executive officer of U.S. Cellular, any nominee for director, any beneficial owner of more than five percent of any class of U.S. Cellular's voting securities and any "immediate family member" of such persons, within the meaning of Item 404.

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

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

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

Compensation Committee

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

The basis for the view of the board of directors that a formal independent compensation committee for all executive compensation is unnecessary is that U.S. Cellular is controlled by TDS. As a controlled company, U.S. Cellular is not required to have an independent compensation committee under listing standards of the NYSE. As a controlled company, except with respect to matters within the authority of the LTICC, U.S. Cellular considers it sufficient and appropriate that its Chairman, LeRoy T. Carlson, Jr., who is a director and president and chief executive officer of TDS, approves compensation decisions for U.S. Cellular.

Long-Term Incentive Compensation Committee

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

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

A copy of the LTICC charter is available on U.S. Cellular's website, www.uscellular.com, under Our Company—Investor Relations—Corporate Governance—Board of Directors—Long-Term Incentive Compensation Committee—Long-Term Incentive Compensation Committee Charter.

The members of the LTICC currently are Paul-Henri Denuit (chairperson), J. Samuel Crowley, Ronald E. Daly, Gregory P. Josefowicz and Cecelia D. Stewart.

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The LTICC held three meetings during 2016.

The officers who are subject to the Section 16 requirements are set forth under the caption "Executive Officers" below in this 2017 Proxy Statement. Except with respect to such persons, U.S. Cellular's Long-Term Incentive Plan ("LTIP") does not currently restrict the ability of the LTICC to delegate its power and authority. As a result, currently the LTICC may delegate its power and authority to the Chairman or any executive officer of U.S. Cellular except with respect to the long-term equity compensation of the persons identified below under the caption "Executive Officers".

The LTICC has not delegated any authority with respect to the executive officers identified in this 2017 Proxy Statement.

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

Director Compensation

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

Pricing Committee

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

Technology Advisory Group Committee

In 2015, the board of directors established the TAG Committee of the board of directors, to consist of directors who will participate in the TAG. The TAG Committee does not have a charter.

The members of the U.S. Cellular TAG Committee are LeRoy T. Carlson, Jr. (chairman), Ronald E. Daly and Cecelia D. Stewart. The members of the TAG Committee are also members of the TDS Technology Advisory Group, which consists of representatives of the U.S. Cellular and TDS Boards of Directors along with senior technology executives of the two companies. The purpose of the TDS Technology Advisory Group is to review, monitor and inform the board of directors on technology matters, including spectrum, radio transmission, end user equipment, network technology, information technology, security, data storage, retrieval, and handling, and other matters relating to technology used or proposed to be used by TDS' business units (including U.S. Cellular) and by their customers and by competitors of TDS' business units and by their customers, as well as developments and trends in the communications industry relating to technology. The TDS Technology Advisory Group does not have authority to take action with respect to any technology matter, but serves solely in an informational and advisory role. The U.S.

Cellular TAG Committee will report to the board of directors with respect to U.S. Cellular technology matters.

The TAG Committee held three meetings during 2016.

Director Nomination Process

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

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

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U.S. Cellular may use various sources to identify potential candidates for the board of directors, including an executive search firm. The U.S. Cellular board of directors does not have a formal policy with regard to the consideration of director candidates recommended by shareholders. Because TDS has sole voting power in the election of directors elected by the holder of Series A Common Shares and a majority of the voting power in the election of directors elected by holders of Common Shares, nominations of directors for election by the holders of Series A Common Shares and Common Shares are generally based on the recommendation of TDS. With respect to candidates for director to be elected by the holders of Common Shares, the U.S. Cellular board may from time to time informally consider candidates recommended by shareholders who hold a significant number of Common Shares, in addition to the recommendation of TDS. Shareholders who desire to nominate directors must follow the procedures set forth in U.S. Cellular's Bylaws.

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

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

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

The U.S. Cellular board of directors does not have a policy with regard to the consideration of diversity in identifying director nominees. However, as reflected in its Code of Business Conduct, U.S. Cellular values diversity and does not discriminate on the basis of gender, age, race, color, sexual orientation, religion, ancestry, national origin, marital status, disability, military or veteran status or citizenship status. In addition, in considering whether to nominate individuals as director candidates, the U.S. Cellular board of directors takes into account all facts and circumstances, including diversity. For this purpose, diversity broadly means a variety of backgrounds, experience, skills, education,

attributes, perspectives and other differentiating characteristics. U.S. Cellular believes that it is desirable for a board to have directors who can bring the benefit of diverse backgrounds, experience, skills and other characteristics to permit the board to have a variety of views and insights. Accordingly, the U.S. Cellular board of directors considers how director candidates can contribute to board diversity as one of the many factors it considers in identifying nominees for director.

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

There are currently thirteen incumbent directors being approved and recommended for election by the U.S. Cellular board for election at the 2017 Annual Meeting.

From time to time, U.S. Cellular may pay a fee to an executive search firm to identify and evaluate or assist in identifying and evaluating potential candidates for election as directors. U.S. Cellular did not pay a fee in 2016 to a search firm relating to potential candidates for election as directors.

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Shareholder Communication with Directors

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

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

Non-Management Directors

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

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

All directors are invited and encouraged to attend each annual meeting of shareholders, which is normally followed by a meeting of the board of directors. In general, all directors attend each annual meeting of shareholders unless they are unable to do so because of unavoidable commitments or intervening events. All of the persons serving as directors at the time attended the 2016 annual meeting.

Code of Ethics for Directors

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

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EXECUTIVE OFFICERS

The following executive officers of U.S. Cellular were identified in the above tables under "Election of Directors" : LeRoy T. Carlson, Jr., Chairman; Kenneth R. Meyers, President and Chief Executive Officer; Steven T. Campbell, Executive Vice President—Finance, Chief Financial Officer and Treasurer; and Douglas D. Shuma, Chief Accounting Officer. The following table identifies the other executive officers who are currently serving but are not identified in the above tables regarding the election of directors. The age of the following persons is as of the date of this 2017 Proxy Statement.

Name	Age	Position with U.S. Cellular
Jay M. Ellison	64	Executive Vice President – Operations
Michael S. Irizarry	55	Executive Vice President and Chief Technology Officer – Engineering and Information Services
Deirdre C. Drake	51	Senior Vice President – Chief Human Resources Officer
Edward C. Perez	50	Senior Vice President – Sales

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

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

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

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

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

Codes of Business Conduct and Ethics Applicable to Officers

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

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

U.S. Cellular intends to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding any amendment to any of the foregoing codes by posting such information to U.S. Cellular's website. Any waivers of any of the foregoing codes for directors or executive officers will be approved by U.S. Cellular's board of directors or an authorized committee thereof, as applicable, and disclosed in a Form 8-K that is filed with the SEC within four business days of such waiver. There were no such waivers in 2016.

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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, 2017. This proposal gives our shareholders the opportunity to express their views on U.S. Cellular's independent registered public accounting firm for the current fiscal year.

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

Your board of directors unanimously recommends a vote FOR the approval of the ratification of the selection of PricewaterhouseCoopers LLP as U.S. Cellular's independent registered public accounting firm for the fiscal year ending December 31, 2017.

We anticipate continuing the services of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the current fiscal year. Representatives of PricewaterhouseCoopers LLP, which served as our independent registered public accounting firm for the last fiscal year, are expected to be present at the 2017 Annual Meeting and will have the opportunity to make a statement and to respond to appropriate questions raised by shareholders at the 2017 Annual Meeting or submitted in writing prior thereto.

Is this vote binding on the board of directors?

This vote is an advisory vote only and, therefore, it will not bind U.S. Cellular or our board of directors or Audit Committee. We are not required to obtain shareholder ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm by our Bylaws or otherwise. However, we have elected to seek such ratification by the affirmative vote of the holders of a majority of the votes cast by shares entitled to vote with respect to such matter at the 2017 Annual Meeting.

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

Should the shareholders fail to ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm, the Audit Committee will review whether to retain such firm for the fiscal year ending December 31, 2017, subject to U.S. Cellular's obligations under the Intercompany Agreement.

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

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FEES PAID TO PRINCIPAL ACCOUNTANTS

The following sets forth the aggregate fees (including expenses) billed by U.S. Cellular's principal accountants, PricewaterhouseCoopers LLP, for 2016 and 2015:

	2016	2015
Audit Fees ¹	\$2,091,564	\$2,258,758
Audit Related Fees ²	285,000	352,004
Tax Fees ³	—	—
All Other Fees ⁴	—	—
Total Fees ⁵	\$2,376,564	\$2,610,762

1. Represents the aggregate fees billed by PricewaterhouseCoopers LLP for professional services rendered for the audit of the annual financial statements included in U.S. Cellular's Annual Report on Form 10-K ("Form 10-K") for each of these years and the reviews of the financial statements included in U.S. Cellular's Forms 10-Q for those years, including the attestation and report relating to internal control over financial reporting. Also includes fees for services that are normally incurred in connection with statutory and regulatory filings or engagements, such as comfort letters, statutory audits, subsidiary audits, attest services, consents, and review of documents filed with the SEC.
2. Represents the aggregate fees billed by PricewaterhouseCoopers LLP for assurance and related services that are reasonably related to the performance of the audit or review of U.S. Cellular's financial statements that are not reported under Audit Fees, if any. In 2016 and 2015, this amount represents fees billed for audits of subsidiaries.
3. Represents the aggregate fees billed by PricewaterhouseCoopers LLP for tax compliance, tax advice, and tax planning, if any.
4. Represents the aggregate fees billed by PricewaterhouseCoopers LLP for services other than services described in Note (1), (2), or (3), if any.
5. Amounts do not include fees billed by PricewaterhouseCoopers LLP directly to TDS. Although TDS bills U.S. Cellular an overall allocation of cost pursuant to the Intercompany Agreement discussed under "Other Relationships and Related Transactions—Intercompany Agreement" below, TDS does not specifically identify and allocate fees of PricewaterhouseCoopers LLP to U.S. Cellular.

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

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AUDIT COMMITTEE REPORT

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

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

In this context, the Audit Committee held meetings with management, the TDS internal audit staff and representatives of PricewaterhouseCoopers LLP, U.S. Cellular's independent registered public accounting firm for 2016. In these meetings, the Audit Committee reviewed and discussed the audited financial statements as of and for the year ended December 31, 2016. Management represented to the Audit Committee that U.S. Cellular's consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America, and the Audit Committee reviewed and discussed the consolidated financial statements with management and representatives of PricewaterhouseCoopers LLP.

The discussions with PricewaterhouseCoopers LLP also included the matters required to be discussed by PCAOB Auditing Standard No. 1301, Communications with Audit Committees, relating to information regarding the scope and results of the audit. The Audit Committee also received from PricewaterhouseCoopers LLP written disclosures and a letter regarding its independence as required by applicable requirements of the PCAOB regarding the independent accountant's communications with the Audit Committee concerning independence, and this information was discussed with PricewaterhouseCoopers LLP.

Based on and in reliance upon these reviews and discussions, the Audit Committee recommended to the board of directors that the audited financial statements as of and for the year ended December 31, 2016 be included in U.S. Cellular's Form 10-K for the year ended December 31, 2016.

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

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

During 2016, at each of its regularly scheduled meetings, the Audit Committee met with the senior members of U.S. Cellular's financial management team. Additionally, the Audit Committee had separate private sessions, during its

regularly scheduled meetings, with U.S. Cellular management, TDS' Vice President of Internal Audit, U.S. Cellular's General Counsel, and representatives of PricewaterhouseCoopers LLP, at which candid discussions regarding financial management, legal, accounting, auditing and internal control issues took place.

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

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

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The Audit Committee evaluates the performance of PricewaterhouseCoopers LLP, including the senior audit engagement team, each year and determines whether to reengage PricewaterhouseCoopers LLP or consider other audit firms, subject to U.S. Cellular's obligations under the Intercompany Agreement with TDS. Under this agreement, U.S. Cellular has agreed to engage the firm of independent registered public accountants selected by TDS for purposes of auditing U.S. Cellular's financial statements, including the financial statements of our direct and indirect subsidiaries, and providing certain other services. In performing its evaluation, the Audit Committee considers the quality and efficiency of the services provided by the auditors, the auditors' capabilities and the auditors' technical expertise and knowledge of U.S. Cellular's operations and industry. Based on this evaluation, the Audit Committee in concert with the TDS Audit Committee, approved the engagement of PricewaterhouseCoopers LLP as U.S. Cellular's independent registered public accountants for the year ending December 31, 2017, and reviewed with senior members of U.S. Cellular's financial management team, PricewaterhouseCoopers LLP and the TDS Vice President - Internal Audit, the overall audit scope and plans, the results of internal and external audit examinations, evaluations by management and PricewaterhouseCoopers LLP of U.S. Cellular's internal controls over financial reporting and the quality of U.S. Cellular's financial reporting. Although the Audit Committee has the sole authority to appoint the independent registered public accounting firm, subject to U.S. Cellular's obligations under the Intercompany Agreement with TDS, U.S. Cellular anticipates that it will continue to request shareholders to ratify the selection of the independent registered public accounting firm at annual meetings of shareholders. Proposal 2 in this 2017 Proxy Statement includes a proposal for consideration at the 2017 Annual Meeting to shareholders to ratify the selection of PricewaterhouseCoopers LLP as U.S. Cellular's independent registered public accountants for the year ending December 31, 2017.

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

The Audit Committee considered and concluded that the provision of non-audit services by PricewaterhouseCoopers LLP to U.S. Cellular during 2016 was compatible with their independence.

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

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

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

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PROPOSAL 3
ADVISORY VOTE ON EXECUTIVE COMPENSATION

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

In Proposal 3, we are providing shareholders with an opportunity to vote, on an advisory basis, on the compensation of our named executive officers as disclosed in this 2017 Proxy Statement pursuant to compensation disclosure rules set forth in Item 402 of Regulation S-K of the SEC (which disclosure includes the Compensation Discussion and Analysis, the Summary Compensation Table and the other related tables and disclosure). This vote is required to be submitted to shareholders pursuant to SEC rules adopted under provisions in the Dodd-Frank Act codified in Section 14A of the Securities Exchange Act of 1934, as amended. The advisory vote on executive compensation described in this proposal is commonly referred to as a "Say-on-Pay" vote.

U.S. Cellular held a Say-on-Frequency vote at the 2011 annual meeting and at that meeting shareholders voted by a substantial majority to hold a Say-on-Pay vote every year. Based on the results of that Say-on-Frequency vote, the U.S. Cellular board of directors adopted a policy to hold the Say-on-Pay vote every year. Pursuant to the Dodd-Frank Act, U.S. Cellular is again submitting a Say-on-Frequency vote to the shareholders at the 2017 Annual Meeting. See Proposal 4 below.

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

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

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

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

Is this vote binding on the board of directors?

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

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

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

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PROPOSAL 4

ADVISORY VOTE ON FREQUENCY OF SAY-ON-PAY VOTES

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

In Proposal 4, we are providing shareholders with an opportunity to vote, on an advisory basis, on whether future Say-on-Pay votes should be held every year, every two years or every three years.

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

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

Your board of directors unanimously recommends a vote FOR holding a Say-on-Pay vote EVERY YEAR.

U.S. Cellular believes that its important for shareholders to have the opportunity to vote annually on executive compensation for a number of reasons, including the following:

- ◆ An annual Say-on-Pay vote will allow us to obtain shareholder input on our executive compensation program on a more consistent basis which aligns more closely with our objective to engage in regular dialogue with our shareholders on corporate governance matters, including our executive compensation philosophy, policies, and practices.
- ◆ A one-year frequency provides the highest level of accountability and communication by enabling the Say-on-Pay vote to correspond with the most recent executive compensation information presented in our 2017 Proxy Statement for the annual meeting.
- ◆ A frequency that exceeds one year may make it more difficult for the Chairman and the LTICC to understand and respond to the voting results because it may be unclear whether the shareholder vote pertains to the most recent executive compensation information presented in our proxy statement or to pay practices from the previous two years or both.
- ◆ Holding Say-on-Pay votes annually reflects sound corporate governance principles and is consistent with a majority of institutional investor policies.

Shareholders are not voting to approve or disapprove the board of directors' recommendation. Instead the proxy card provides shareholders with four choices with respect to this proposal: every year, every two years, every three years

or shareholders may abstain from voting on this proposal.

Is this vote binding on the board of directors?

The Say-on-Frequency vote is an advisory vote only, and therefore will not bind U.S. Cellular, our board of directors, the Chairman or the LTICC. However, the board of directors will consider the voting results as appropriate when considering its policy on the frequency of future Say-on-Pay votes.

The option of every year, every two years or every three years that receives the highest number of votes cast by shareholders will be considered, as appropriate, by the board of directors as the shareholders' recommendation as the frequency of future Say-on-Pay votes. Nevertheless, the board of directors may decide that U.S. Cellular's policy should be to hold Say-on-Pay votes more or less frequently than the option that receives the most votes from shareholders. As required by SEC rules, U.S. Cellular will disclose on a Form 8-K its decision in light of such vote as to how frequently U.S. Cellular will include a shareholder vote on the compensation of executives in its proxy materials until the next Say-on-Frequency vote.

U.S. Cellular is required to request shareholders to vote on a Say-on-Frequency proposal at least once every six years. Accordingly, U.S. Cellular intends to next submit a Say-on-Frequency proposal to shareholders at the 2023 Annual Meeting.

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

Your board of directors unanimously recommends a vote for holding a Say-on-Pay vote EVERY YEAR with respect to 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 Form 10-K for the year ended December 31, 2016.

Compensation Discussion and Analysis

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

We annually review all elements of compensation and where appropriate make changes. The following table provides a summary of "What we do" and "What we don't do".

Executive Compensation Highlights

What we do

What we don't do

- ◆ We have a Long-Term Incentive Compensation Committee comprised solely of independent directors, that reviews and approves the long-term equity-based compensation of executive officers.
- ◆ Other executive compensation is approved by U.S. Cellular's Chairman, LeRoy T. Carlson, Jr., who is also a director and President and Chief Executive Officer of TDS, the majority shareholder of U.S. Cellular.
- ◆ We designed our compensation programs to motivate executive officers to act in the long-term interest of U.S. Cellular.
- ◆ Our executive officer compensation levels are based in part on competitive market compensation data supplied by Willis Towers Watson.
- ◆ A major compensation goal is to provide compensation and benefit programs that we believe are both competitive and fiscally responsible.
- ◆ We provide few perquisites ("perks") to our officers.
- ◆ We believe our executive bonus program is appropriately balanced between company and individual performance.
- ◆ U.S. Cellular may seek to adjust or recover awards or payments if performance measures are restated or otherwise adjusted as described under "Clawback" below.
- ◆ Beginning in 2017, we are adding performance-based share awards to the Long-Term Incentive Program.

- ◆ Hedging by officers is prohibited.
- ◆ Except in limited circumstances, our plans, awards and agreements do not include tax gross-ups.
- ◆ A change

in
control
does
not
automatically
trigger
adjustments
to
awards
under
the
2013
Incentive
Plan.
◆ U.S.
Cellular
does
not
backdate
stock
options.

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Executive Compensation Programs Support U.S. Cellular Goals and Objectives

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

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

- ◆ support U.S. Cellular's overall business strategy and objectives;
- ◆ attract and retain high quality management;
- ◆ link individual compensation with attainment of U.S. Cellular objectives and individual performance goals; and
- ◆ provide competitive compensation opportunities consistent with the financial performance of U.S. Cellular.

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

U.S. Cellular's compensation policies for executive officers are intended to provide incentives for the achievement of corporate and individual performance goals and to provide compensation consistent with the performance of U.S. Cellular, utilizing good governance practices and other best practices. U.S. Cellular's compensation programs are designed to reward for the performance of U.S. Cellular on both a short-term and long-term basis.

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

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

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

Although U.S. Cellular does not have an independent compensation committee for all executive compensation, long-term equity compensation of executive officers is approved by the fully independent LTICC, as discussed below.

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Elements of Compensation

Annual Cash Compensation	Equity Compensation	Other Benefits Available to Named Executives	Other Generally Applicable Benefits and Plans
<ul style="list-style-type: none"> ◆ Salary ◆ Bonus 	<ul style="list-style-type: none"> ◆ Restricted Stock Units ◆ Stock Options 	<ul style="list-style-type: none"> ◆ Deferred compensation ◆ Supplemental Executive Retirement Plan ("SERP") ◆ Perquisites 	<ul style="list-style-type: none"> ◆ Tax-Deferred Savings Plan ◆ Welfare Benefits ◆ Pension Plan

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

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

Executive Compensation Process

The process of approving or recommending the elements of compensation begins with an evaluation of the appropriate compensation elements for each officer, based on the particular duties and responsibilities of the officer, as well as compensation elements for comparable positions at other companies.

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

Annually, the President and CEO recommends the base salaries for the named executive officers other than the President and CEO, and the Chairman reviews and approves such base salaries and determines the base salary of the President and CEO. The 2016 rows under column (c), "Salary," in the below Summary Compensation Table include the dollar value of base salary (cash and non-cash) earned by the named executive officers during 2016, whether or not paid in such year.

In addition, the President and CEO recommends the annual bonuses for the named executive officers other than the President and CEO, and the Chairman approves such bonuses and determines the bonus of the President and CEO. The 2016 rows under column (d), "Bonus" or column (g), "Non-Equity Incentive Plan Compensation," in the below Summary Compensation Table include the dollar value of bonus (cash and non-cash) earned by the named executive officers during 2016, whether or not paid in such year.

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

The named executive officers received an award of restricted stock units in 2016 based in part on the achievement of certain levels of corporate and individual performance in 2015, as discussed below. The named executive officers may also receive bonus match units, as discussed below. Column (e), "Stock Awards," of the Summary Compensation Table includes the aggregate grant date fair value of the restricted stock unit awards and bonus match unit awards computed in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 718, Compensation—Stock Compensation ("FASB ASC 718"). The grant date fair value of restricted stock units or bonus match units is calculated as the product of the number of shares underlying the award and the closing price of the underlying shares on the date of grant.

The named executive officers also received an award of stock options in 2016 based in part on the achievement of certain levels of individual performance in 2015, as discussed below. Column (f), "Option Awards," of the Summary Compensation Table includes the aggregate grant date fair value of the stock option awards computed in accordance with FASB ASC 718. The grant date fair value of stock options is calculated using the Black-Scholes valuation model.

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

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

Long Term Incentive Compensation Committee

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

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

Under its charter, the LTICC may delegate some or all of its responsibilities and duties with respect to U.S. Cellular's LTIPs and programs to the Chairman of U.S. Cellular or any executive officer of U.S. Cellular as the committee deems appropriate, to the extent permitted by law and applicable listing standards and the applicable LTIP or program, but not regarding any award to officers of U.S. Cellular who are subject to the requirements of Section 16 of the Securities Exchange Act of 1934, as amended. The LTICC has not delegated any authority with respect to the officers identified in the below Summary Compensation Table or any other executive officers identified in this 2017 Proxy Statement. The LTICC has delegated authority to the Chairman or an executive officer of U.S. Cellular only with respect to persons who are not officers.

As discussed below, the Chairman and the LTICC may rely on the services of U.S. Cellular's compensation and employee benefits consultant, Willis Towers Watson.

Unrealized Components of Compensation

The compensation reported under "Stock Awards" and "Option Awards" in the Summary Compensation Table represents grant date accounting values as required by SEC rules, and does not represent currently realized or realizable compensation. The named executive officers will not realize cash from such awards unless and until any

stock awards are vested and the shares received upon vesting are sold for cash, or unless and until any stock options become exercisable, are exercised and the shares received upon exercise are sold for cash. There is no assurance that this will occur. In general, awards are subject to a risk of forfeiture and the options will expire if not exercised during their term, which may occur if the stock price does not appreciate and/or remain above the exercise price during the option's term. The compensation actually realized by a named executive officer may be more or less than the amount reported in the Summary Compensation Table below depending on the performance of the U.S. Cellular stock price and other factors. With respect to 2016, the amount of compensation realized by each named executive officer can be approximated by (i) deducting from the "Total" column in the 2016 Summary Compensation Table the amounts reported in the "Stock Awards" and "Option Awards" columns for such officer, and (ii) adding the values realized in 2016 by such officer from the 2016 Option Exercises and Stock Vested table below. However, other unrealized components of compensation may be included in the Summary Compensation Table, such as retirement plan contributions that are subject to a vesting schedule.

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Say-on-Pay Vote

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

Responsive to the foregoing requirement, the Chairman and the LTICC considered the fact that over 99% of the votes represented at the 2016 annual meeting that could be cast were cast FOR the Say-on-Pay proposal at the 2016 annual meeting with respect to 2015 named executive officer compensation, as disclosed in the 2016 proxy statement. Because of the substantial support from shareholders, the Chairman and the LTICC did not make any changes to U.S. Cellular's executive compensation decisions and policies as a result of the Say-on-Pay vote in 2016. (However, as described in "Changes to Compensation Policies" hereafter, certain changes were made to the 2016 executive compensation programs unrelated to the Say-on-Pay vote.) The Chairman and the LTICC will continue to consider the results of the annual Say-on-Pay votes in their future compensation policies and decisions.

When considering your Say-on-Pay vote, please consider that we will be changing our long-term incentive program in 2017 to include performance-based share units.

Changes to Compensation Policies

The 2016 Executive Bonus Plan added a new performance measure called Customer Engagement and changed the weightings of the performance measures. The performance measures are now Consolidated Total Revenues, Consolidated Adjusted EBITDA, Consolidated Capital Expenditures and Customer Engagement.

Risks Relating to Compensation to Executive Officers

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

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

Compensation Consultant

Willis Towers Watson is U.S. Cellular's compensation consultant and is engaged by U.S. Cellular management. Although Willis Towers Watson is engaged by U.S. Cellular management, it also assists the LTICC with respect to long-term equity-based compensation, and the Chairman, who in effect functions as the compensation committee for executive compensation other than long-term equity-based compensation.

As required by SEC rules, the following discloses the role of Willis 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 Willis Towers Watson with respect to the performance of its duties under its engagement. Willis Towers Watson provides external market compensation data to U.S. Cellular from its

executive compensation survey database and, as requested, provides recommendations on the type and amount of compensation to be granted to officers and other award recipients. Willis Towers Watson generally does not provide other services to U.S. Cellular, except as may be requested from time to time with respect to specific matters. Willis Towers Watson did not provide any meaningful amount of other services to U.S. Cellular in 2016. U.S. Cellular paid \$224,000 to Willis Towers Watson in 2016.

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

Compensation Consultant Conflicts of Interest

As required by SEC and NYSE rules, the Chairman and LTICC of U.S. Cellular considered if the work of Willis Towers Watson raised any conflict of interest. Based on their review, it was determined that the work did not raise any conflict of interest considering the factors identified in Rule 10C-1 under the Securities Exchange Act of 1934, as amended.

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

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

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Benchmarking/Market Compensation Data

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

For the named executive officers other than the President and CEO, in 2016, Willis Towers Watson completed a job specific market analysis with respect to base salary, target annual incentive opportunities and target total cash compensation. Executive officer positions were compared and matched to survey positions based on current role responsibilities. The source of market data was a Willis Towers Watson database of approximately 900 companies.

U.S. Cellular, the Chairman and the LTICC use market compensation data provided by Willis Towers Watson for long-term incentive awards as follows. The multiples used to calculate the long-term incentive awards granted in 2016, based in part on 2015 performance, were determined using a weighting of 50% of the total based generally on data from a peer group of telecom and customer focused companies (as identified below) and 50% of the total based generally on data from general industry companies (with revenue of \$3 billion to \$6 billion) from a Willis Towers Watson database. The multiples were generally intended to provide awards at the 60th percentile, considering a historical three-year average multiple. However, the named executive officer's multiple could be increased by 0 - 15% upon recommendation by the President and CEO and approvals by the Chairman and LTICC, after their consideration of individual performance and other relevant factors. The multiples that were approved for the named executive officers based on the foregoing procedures are set forth below under "Long-Term Equity Compensation." Competitive long-term incentive data reflect general industry (not industry specific) data, and represented data for stand-alone companies of U.S. Cellular's revenue size.

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

In addition, in 2016, the following custom peer group of telecom and customer focused companies was used to help determine and set our long-term incentive awards. This peer group was selected by the LTICC with the assistance of Willis Towers Watson based on the following criteria: each company (i) has revenues in a range that is reasonably comparable to U.S. Cellular and (ii) has customer satisfaction/service as part of its core business strategy.

Custom Peer Group: Avis Budget Group, Inc., Columbia Sportswear Co., Crown Castle International Corp., Darden Restaurants, Inc., Dr. Pepper Snapple Group, Inc., Frontier Communications Corp., Hanes Brands, Inc., Harley Davidson, Inc., Hershey Co., Hertz Global Holdings, Inc., Hyatt Hotels Corp., J.C. Penney Co., Level 3 Communications, Inc., Marriott International, Inc., NII Holdings, Inc., Nordstrom, Inc., Whole Foods Market, Inc., Williams-Sonoma Inc. and Wyndham Worldwide Corp. Compared to the peer group used in 2015, Hillshire Brands Co., Levi Strauss & Co., Starwood Hotels & Resorts Worldwide, Inc., and TW Telecom, Inc. were deleted.

U.S. Cellular selected the Dow Jones U.S. Telecommunications Index, a published industry index, for purposes of the Stock Performance Graph in the 2016 Annual Report. As of December 31, 2016, the Dow Jones U.S. Telecommunications Index had been composed of the following companies: AT&T Inc., CenturyLink Inc., Frontier Communications Corp., Level 3 Communications Inc., SBA Communications Corp., Sprint Corp., T-Mobile US Inc., Telephone and Data Systems, Inc. (TDS) and Verizon Communications Inc.

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Company Performance

The degrees to which company performance measures and objectives were achieved in 2016 are discussed below separately for those that are stated in quantitative terms and for those that are stated in non-quantitative terms.

For purposes of evaluating and determining compensation levels each year, U.S. Cellular calculates an overall percentage of U.S. Cellular performance based on performance measures set forth in its 2016 Executive Bonus Plan. The following shows the level of achievement with respect to 2016.

The following performance measures were considered in evaluating U.S. Cellular quantitative performance for purposes of the 2016 Executive Bonus Plan: Consolidated Total Revenues (35%); Consolidated Adjusted EBITDA (30%); Consolidated Capital Expenditures (20%); and Customer Engagement (15%). U.S. Cellular's results produced a payout of 130.7% of target for that portion of the bonus plan.

Such quantitative company performance measures comprised 60% of the bonus opportunity under the 2016 Executive Bonus Plan.

The below table shows the calculation of the overall quantitative company performance percentage for 2016 based on the 2016 Executive Bonus Plan. The below amounts are based on the performance metrics established specifically for bonus purposes and may not agree with U.S. Cellular's financial statements, which are based on accounting principles generally accepted in the United States of America ("GAAP"), or with other publicly disclosed measures. As compared to GAAP, the below bonus results and targets may be adjusted for amounts relating to items such as acquisitions and divestitures and other non-operating or non-core items (the "Bonus Metric Amounts"). The below bonus results and targets are intended to reflect the core operating results over which U.S. Cellular officers have significant influence.

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Performance Measures	Final Bonus Results for 2016	Final Target for 2016	Bonus Results as a % of Target	Minimum Threshold Performance (as a % of Target)	Maximum Performance (as a % of Target)	Interpolated % of Target Bonus Earned (if within Minimum and Maximum Range)	Weight	Weighted Avg % of Target Bonus
Formula			(b) / (c)					(g) x (h)
Consolidated Total Revenues ¹	\$3,939 million	\$4,250 million	92.7%	90.0%	110.0%	63.4%	35%	22.2%
Consolidated Adjusted EBITDA ²	\$854 million	\$750 million	114.0%	80.0%	120.0%	187.4%	30%	56.2%
Consolidated Capital Expenditures ³	\$446 million	\$476 million	93.7%	110.0%	80.0%	139.7%	20%	27.9%
Customer Engagement ⁴	102	100	102.0%	96.0%	106.1%	162.8%	15%	24.4%
							100%	130.7%

Overall
Company
Performance

1. This represents total revenues determined on a consolidated company-wide basis and in a manner consistent to U.S. Cellular's presentation of total revenues for external reporting purposes, as this may be adjusted for the Bonus Metric Amounts.
2. This represents consolidated "Adjusted EBITDA" as set forth in Exhibit 99.1 to U.S. Cellular's Current Report on Form 8-K dated February 24, 2017, as this may be adjusted for the Bonus Metric Amounts.
3. This represents capital expenditures determined on a consolidated company-wide basis and in a manner consistent to U.S. Cellular's presentation of capital expenditures for external reporting purposes, as this may be adjusted for the Bonus Metric Amounts. A lower number is better.
4. This represents the performance against targets for the total annual company customer engagement score, including sub-components thereof.

If a metric does not meet the minimum threshold performance level, no bonus will be paid with respect to such metric. If maximum performance or greater is achieved, 225% of the target opportunity for that metric will be funded, except with respect to Customer Engagement, for which the maximum bonus opportunity is 200% of target. As shown above, the minimum threshold was achieved with respect to all of the targets for 2016, but performance was less than maximum performance for all of the targets. As a result, the payout level was interpolated for such target as indicated above based on the formula included in the bonus plan.

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As shown above, the quantitative company performance percentage for U.S. Cellular for 2016 was determined to be 130.7%.

The assessment of strategic initiatives as determined in the subjective judgment of the Chairman was 130.0%. In arriving at this percentage, the Chairman considered the following accomplishments of U.S. Cellular during 2016:

- ◆ Impressive engineering execution on VoLTE leading to the Iowa roll-out and a platform for future launches
- ◆ U.S. Cellular awarded "Highest Wireless Network Quality Performance in the North Central Region" by J.D. Power
- ◆ Ranked 5th best workplace in Chicago on Chicago Tribune's Top Workplaces list
- ◆ Higher than budgeted prepaid net additions
- ◆ Outbound LTE roaming launched with national carriers with favorable rates

Performance Objectives and Accomplishments

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

U.S. Cellular Corporate Objectives and Accomplishments

The following summarizes the U.S. Cellular team objectives and accomplishments in 2016. U.S. Cellular's results produced a payout of 130.7% of target for the company performance portion of the bonus plan, as discussed above, U.S. Cellular took actions in furtherance of the following objectives:

- ◆ continue to increase customer engagement by managing network, store and service experiences;
- ◆ maintain high levels of associate engagement;
- ◆ establish and implement additional LTE roaming to improve customers' off net experience as well as mitigate the cost of providing nationwide roaming;
- ◆ complete network build-out and system enhancements for VoLTE in Iowa; and
- ◆ continue ongoing advocacy with government organizations.

Mr. Meyers was the principal executive officer of U.S. Cellular and supervised and guided all of the business and affairs of U.S. Cellular in 2016. As a result, Mr. Meyers is primarily responsible for the performance of U.S. Cellular. Each of the other executive officers was also considered to have made a significant contribution to the aforementioned performance achievements. The portion of the bonus for individual performance is based on an individual performance assessment approved by the Chairman in his subjective judgment which, in the case of officers other than the President and CEO, considers the recommendation of the President and CEO, in his subjective judgment. This individual performance assessment for 2016 is used as a factor in determining the amount of the cash bonus for 2016 performance paid in 2017 and the number of equity awards granted in 2017 with respect to 2016 performance.

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The following shows certain considerations relating to compensation paid in 2016 to the named executive officers:

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

Agreements with Executive Officers

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

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

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

Annual Cash Compensation

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

Base Salary

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

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

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

The following shows certain information relating to base salary in 2016 for Kenneth R. Meyers.

	Kenneth R. Meyers
2015 Annual Base Salary per Summary Compensation Table for 1/1/15-12/31/15	\$905,300
2016 Annual Base Salary per Summary Compensation Table for 1/1/16 -12/31/16	\$948,000
\$ Increase in Annual Base Salary on 1/1/16	\$42,700
% Increase in Annual Base Salary on 1/1/16	4.7%
Range per 2015 Willis Towers Watson survey (50th to 75th percentile)	\$665,000 to 950,000
Median of range	\$795,000

Effective January 1, 2016, Mr. Meyers' base salary was increased to \$948,000, which is above the median, representing the 50th percentile of the range but less than the 75th percentile of \$950,000. This was the level considered to be appropriate in the subjective judgment of the Chairman. The population of comparable base salaries was comprised one-half of the base salaries of the chief executive officers of companies and one-half of the base salaries of sector heads of a major segment of a company's operations, similar in size to U.S. Cellular, recognizing the fact that U.S. Cellular is both a public company as well as a subsidiary of a public company. See "Benchmarking/Market Compensation Data" above.

The following shows certain information relating to base salary in 2016 compared to 2015 for the other named executive officers:

	Steven T. Campbell	Jay M. Ellison	Michael S. Irizarry	Deirdre C. Drake
Base Salary level 3/1/15 - 2/29/16	\$590,000	\$534,000	\$608,500	\$390,000
Base Salary level 3/1/16 - 2/28/17	\$608,000	\$551,000	\$627,000	\$407,000
2016 Base Salary per Summary Compensation Table for 1/1/16 -12/31/16	\$605,000	\$548,167	\$623,917	\$404,167
\$ Increase in Base Salary on 3/1/16	\$18,000	\$17,000	\$18,500	\$17,000
% Increase in Base Salary on 3/1/16	3.1%	3.2%	3.0%	4.4%

The Chairman and President and CEO review the base salary and bonus of the executive officers on an aggregate basis as described below under "Total Cash Compensation."

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Bonus

Executive Bonus Plan. The 2016 Executive Bonus Plan was approved by the Chairman and by the President and CEO in 2016. This 2016 Executive Bonus Plan measured performance with respect to 2016, relating to bonuses paid in 2017. A copy of this plan was filed with the SEC on a Form 8-K dated June 7, 2016. The Chairman does not participate in any U.S. Cellular bonus plan and the President and CEO did not participate in the Executive Bonus Plan. U.S. Cellular has separate guidelines for awarding bonuses to the President and CEO, as described below.

The purposes of the 2016 Executive Bonus Plan were: to provide incentive for the officers of U.S. Cellular to extend their best efforts toward achieving superior results in relation to key business targets; to reward U.S. Cellular's executive officers in relation to their success in meeting and exceeding the performance targets; and to help U.S. Cellular attract and retain talented leaders in positions of critical importance to the success of U.S. Cellular. Eligible participants in the 2016 Executive Bonus Plan were all Executive Vice Presidents and the Senior Vice President—Chief Human Resources Officer of U.S. Cellular. As discussed above, the President and CEO did not participate in this plan. In determining the bonus of the President and CEO, in addition to considering performance under the 2016 Executive Bonus Plan, the Chairman also considered other U.S. Cellular metrics and various other performance measures as he determined in his discretion, as further discussed below.

The following performance measures were considered for the purposes of the 2016 Executive Bonus Plan:

Company Performance	Component Weighting	Overall Plan Weighting	Maximum Percentage of Target
Consolidated Total Revenues	35%	21%	225.00%
Consolidated Adjusted EBITDA	30%	18%	225.00%
Consolidated Capital Expenditures	20%	12%	225.00%
Customer Engagement	15%	9%	200.00%
Company Performance	100%	60%	221.25%
Chairman Assessment of Strategic Initiatives		10%	200.00%
Individual Performance		30%	150.00%
Total overall plan weighting and maximum target opportunity		100%	197.75%

U.S. Cellular sets target levels for the company performance measures at levels that it believes are achievable with above average performance.

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

The Chairman determined the actual payout that each officer received under the 2016 Executive Bonus Plan.

The Chairman determined the bonus to the President and CEO for 2016 performance that was paid in 2017 as follows.

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

Mr. Meyers' informal target bonus was 80% of his base salary of \$948,000. The Chairman approved a bonus to Mr. Meyers of \$1,007,200 with respect to 2016 performance that was paid in March 2017. This was approximately 133% of the informal target bonus amount reflecting U.S. Cellular's overall company performance of 130.7% and the Chairman's subjective views regarding Mr. Meyers' contributions to such performance and achievements in 2016.

The entire amount of the bonus for Mr. Meyers is reported under the "Bonus" column of the Summary Compensation Table.

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Summary of Bonus Payments

The following shows the calculation of bonuses with respect to 2016 performance.

As noted above under "Company Performance," the overall percentage achieved with respect to quantitative company performance under the 2016 Executive Bonus Plan was determined to be 130.7% of target. The assessment of strategic initiatives as determined in the subjective judgment of the Chairman was 130.0% of target.

The following shows information with respect to each named executive officer that received a bonus for 2016 performance (paid in 2017) (the below amounts may be rounded):

	Formula	Kenneth R. Meyers	Steven T. Campbell	Jay M. Ellison	Michael S. Irizarry	Deirdre C. Drake
a 2016 base salary		\$948,000	\$608,000	\$551,000	\$627,000	\$407,000
b Target bonus percentage		80%	60%	75%	55%	50%
c Target bonus	a x b	\$758,400	\$364,800	\$413,250	\$344,850	\$203,500
d Percentage of 2016 target bonus based on company performance		N/A	60%	60%	60%	60%
e Target bonus for company performance	c x d	N/A	\$218,880	\$247,950	\$206,910	\$122,100
f Incentive Plan Compensation" column based on company performance in 2016	e x 130.7%	N/A	\$286,076	\$324,071	\$270,431	\$159,585
g Calculation of amount reported under "Bonus" column: Portion of bonus based on assessment of strategic initiatives in 2016 (10% of target bonus opportunity), multiplied by percentage of achievement as determined by Chairman (130.0%)	c x 10% x 130.0%	N/A	\$47,424	\$53,723	\$44,831	\$26,455
h Amount of discretionary bonus based on individual performance and rounding		N/A	\$156,500	172,207	149,739	87,960
i Amount of bonus award to President and CEO		\$1,007,200	N/A	N/A	N/A	N/A
j Subtotal of amount reported under "Bonus" column	g + h + i	\$1,007,200	\$203,924	\$225,929	\$194,569	\$114,415
k Total bonus for 2016 performance paid in 2017 (sum of amount reported under "Non-Equity Incentive Plan Compensation" column and amount reported under "Bonus" column)	f + j	\$1,007,200	\$490,000	\$550,000	\$465,000	\$274,000

The entire amount of the bonus paid to Mr. Meyers is included under the "Bonus" column in the Summary Compensation Table because the determination of the amount of the bonus to the President and CEO was not formulaic. In addition to considering the performance under the 2016 Executive Bonus Plan, the Chairman also considered other U.S. Cellular metrics, various other performance measures and other factors as he determined in his discretion.

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Total Cash Compensation

The following shows information relating to total cash compensation in 2016 for the named executive officers that received a bonus with respect to 2016 from U.S. Cellular.

	Steven T. Campbell	Jay M. Ellison	Michael S. Irizarry	Deirdre C. Drake
Base salary in 2016 (3/1/16 - 2/28/17)	\$608,000	\$551,000	\$627,000	\$407,000
2016 Bonus Paid in 2017	\$490,000	\$550,000	\$465,000	\$274,000
Total Cash Compensation in 2016	\$1,098,000	\$1,101,000	\$1,092,000	\$681,000
Total Cash Compensation per Willis Towers Watson Survey:				
25th percentile	\$795,000	\$875,000	\$615,000	\$510,000
50th percentile	\$980,000	\$1,175,000	\$770,000	\$620,000
75th percentile	\$1,215,000	\$1,580,000	\$945,000	\$760,000

The Chairman and President and CEO review the base salary and bonus of the executive officers on an aggregate basis. The amount reported above as Base Salary represents the named executive officer's base salary for the period March 1, 2016 through February 28, 2017, rather than the amount reported in the Summary Compensation Table.

The total compensation of the above officers is believed to be within the range identified for this element based on an assessment of the responsibilities and performance of such officers in the judgment of the Chairman and the President and CEO. In addition to the considerations discussed above, significant facts and circumstances that the Chairman and the President and CEO considered in determining the base salaries include the position and responsibilities of the officer; the length of service in such capacity and with U.S. Cellular; the team performance objectives and achievements and the extent to which the officer was considered to have contributed to such achievements; the ranges and metrics for the individual officers based on market compensation information, as indicated above; the overall views and feedback of U.S. Cellular personnel with respect to the officer; and the Chairman's and the President and CEO's subjective views regarding such officer's contributions to U.S. Cellular during his or her tenure with the company and in particular, during 2016.

Long-Term Equity Compensation

The Chairman recommends and the LTICC approves long-term equity compensation awards to the named executive officers under the U.S. Cellular LTIP, which awards generally have included stock options, restricted stock units and bonus match units. The LTICC will issue performance share awards in 2017.

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

Although the LTICC has the discretion to grant various types of awards, it generally has granted only restricted stock units and stock options. In addition, officers may receive employer stock match awards in connection with deferred bonus as described below under "Information Regarding Nonqualified Deferred Compensation." The restricted stock units generally vest in full (cliff vesting) on the third anniversary of the date of grant, subject to continued

employment. Stock options generally become exercisable with respect to 33 1/3% of the shares underlying the stock option each year over a three year period and are exercisable until the tenth anniversary of the date of grant, in each case, subject to continued employment. The awards to Kenneth R. Meyers in 2013 included different terms that were negotiated as part of the Meyers Letter Agreement. See Footnote (1) to the Summary Compensation Table below for further details.

In 2016, officers received an award of restricted stock units in part based on the achievement of certain levels of corporate and individual performance in the immediately preceding year and an award of stock options in part based on individual performance in the immediately preceding year. However, all stock option and restricted stock unit awards are expensed over the applicable vesting periods.

The LTICC determined the number of restricted stock units and stock options to award to the named executive officers in 2016 as follows. The following first discusses the general approach used for the named executive officers other than the President and CEO.

The target allocation of long-term compensation awards in 2016 was 50% in stock options and 50% in restricted stock units. This allocation was based, in part, on trends shown by information from U.S. Cellular's compensation consultant, Willis Towers Watson. See "Benchmarking/Market Compensation Data" above.

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

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Based in part on information from Willis Towers Watson, the formula for determining the number of stock options to award to the executive officers other than the President and Chief Executive Officer was (a) the officer's March 1, 2016 base salary \times the officer performance multiple for 2015 \times 50% (i.e., the percentage of long-term incentive opportunity to be granted in the form of a stock option award), divided by (b) the Black-Scholes value of an option on U.S. Cellular's stock based on the closing stock price on the grant date. This result was rounded as indicated below.

Based in part on information from Willis Towers Watson, the formula for determining the number of restricted stock units to award to the executive officers, other than the President and Chief Executive Officer was (a) the officer's March 1, 2016 base salary \times the officer performance multiple for 2015 \times 50% (i.e., the percentage of long-term incentive opportunity to be granted in the form of a restricted stock unit award) \times the U.S. Cellular adjusted company performance percentage for 2015, divided by (b) the value of a U.S. Cellular Common Share based on the closing stock price on the grant date. The adjusted company performance percentage for 2015 was 130.1%. This was comprised of quantitative company financial performance of 129% in 2015 plus the Chairman's qualitative assessment of strategic initiatives of 137% in 2015, on a weighted basis.

The officer performance multiple for 2015 (utilized for 2016 awards) represents a number based, in part, on information from Willis Towers Watson derived from market compensation data as discussed under "Benchmarking/Market Compensation Data" above. The amount of this multiple relates to the officer's relative position at U.S. Cellular and reflects the Chairman's and President and CEO's assessment of the officer's individual performance. Based on the foregoing, the named executive officers who received an award in part based on 2015 individual performance, other than the President and CEO, were assigned the multiples disclosed below.

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

As with the annual salary and bonus, executive officers do not become entitled to any stock options, restricted stock units or other equity awards as a result of the achievement of any corporate or individual performance levels. An award of stock options, restricted stock units or other equity awards is entirely discretionary and executive officers have no right to any stock options, restricted stock units or other equity awards unless and until they are awarded. Pursuant to SEC rules, awards granted in 2016 are included in the Summary Compensation Table below with respect to 2016 compensation.

As a result of the foregoing formulas and individual performance factors, the following stock options and restricted stock units were granted on April 1, 2016 to the persons below who were named executive officers at that time (the amounts below may be rounded):

	Formula	Steven T. Campbell	Jay M. Ellison	Michael S. Irizarry	Deirdre C. Drake
a March 1, 2016 Base Salary		\$608,000	\$551,000	\$627,000	\$407,000
b Performance Multiple		2.25	2.60	2.25	1.60
c Long Term Incentive Target Value	a \times b	\$1,368,000	\$1,432,600	\$1,410,750	\$651,200
d Option Target Value	c \times 50%	\$684,000	\$716,300	\$705,375	\$325,600
e Closing Stock Price on April 1, 2016		\$45.87	\$45.87	\$45.87	\$45.87
f Closing Stock Price \times Black-Scholes Ratio	e \times 27.44%	\$12.59	\$12.59	\$12.59	\$12.59
g Options Granted (rounded)	d / f	54,350	56,900	56,050	25,875

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hRSU Target Value	c x 50%	\$684,000	\$716,300	\$705,375	\$325,600
i 2015 Company Performance % ¹		130.1%	130.1%	130.1%	130.1%
j Adjusted RSU Value	h x i	\$889,884	\$931,906	\$917,693	\$423,606
kRSUs Granted (rounded)	j / e	19,400	20,316	20,006	9,235

1. Represents the weighted average of the quantitative company performance percentage of 129% and the Chairman's assessment of strategic initiatives of 137%.

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The approach for granting stock option and restricted stock unit awards to Kenneth R. Meyers differed from the above approach for the other named executive officers. The following stock option and restricted stock unit awards were granted to Mr. Meyers on April 1, 2016 using the formula outlined below (the amounts below may be rounded):

	Formula	Kenneth R. Meyers
a Long Term Incentive Target Value based on information from Willis Towers Watson		\$ 3,901,843
b Total Award Adjustment 133.1% based on 2015 Company Performance (77.4%); Chairman Assessment (13.7%); Individual Assessment (42.0%)		\$ 5,193,354
c Option Target Value	b x 50%	\$ 2,596,677
d Closing Stock Price on April 1, 2016		\$ 45.87
e Closing Price x Black-Scholes Ratio	d x 27.44%	\$ 12.59
f Options Granted (rounded)	c / e	206,300
g RSU Target Value	b x 50%	\$ 2,596,677
h RSUs Granted (rounded)	g / d	56,609

Analysis of Compensation

The following table identifies the percentage of each element of total compensation of each of the named executive officers, based on the Summary Compensation Table for 2016:

	Kenneth R. Meyers	Steven T. Campbell	Jay M. Ellison	Michael S. Irizarry	Deirdre C. Drake
Salary	12.9%	21.9%	19.3%	22.2%	27.4%
Bonus	13.7%	7.4%	8.0%	6.9%	7.7%
Stock Awards	36.1%	32.2%	32.8%	32.6%	28.7%
Stock Options	35.8%	25.1%	25.6%	25.4%	22.4%
Non-Equity Incentive Plan Compensation	0.0%	10.4%	11.4%	9.6%	10.8%
Other	1.5%	3.0%	2.9%	3.3%	3.0%
	100.0%	100.0%	100.0%	100.0%	100.0%

As indicated below in the Summary Compensation Table, Mr. Meyers' total compensation for 2016 was \$7,351,833 and the total compensation for 2016 of the other named executive officers ranged from a high of \$2,837,366 to a low of \$1,476,779. Accordingly, Mr. Meyers' total compensation for 2016 is approximately 2.6 times the total compensation of the next highest compensated named executive officer with respect to 2016.

As noted herein, U.S. Cellular's overall compensation objectives are to (i) support U.S. Cellular's overall business strategy and objectives; (ii) attract and retain high quality management; (iii) link individual compensation with attainment of individual performance goals and with attainment of U.S. Cellular objectives; and (iv) provide competitive compensation opportunities consistent with the financial performance of U.S. Cellular. Also, as noted herein, U.S. Cellular determines the amount of compensation to pay or provide to each named executive officer considering compensation practices of peers and other companies with similar characteristics, in order to support U.S.

Cellular's overall business strategy and objectives. U.S. Cellular recognizes that it must compensate its executive officers in a competitive manner. Considering the foregoing, U.S. Cellular recognizes that it needs to and believes that it should compensate the President and CEO at a level that considers the compensation of presidents and chief executive officers of similar companies, which compensation is higher than the compensation of other named executive officers of such companies. U.S. Cellular believes that this is necessary to attract and retain a highly qualified person to serve as President and CEO and to compete successfully against other companies. U.S. Cellular also recognizes that it needs to and believes that it should compensate the other named executive officers at levels that reflect the compensation of similarly situated positions at similar companies in order to attract and retain high quality persons for such positions at U.S. Cellular.

The Chairman and the LTICC believe that the elements of compensation and total compensation of the named executive officers have been set at appropriate levels considering the foregoing principles.

Other Benefits Plans Available to Named Executive Officers

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

The Chairman and the LTICC believe that the named executive officers must be offered a competitive compensation package, including benefits and plans. U.S. Cellular's compensation packages are designed to compete with other companies for talented employees. U.S. Cellular's benefits and plans are part of this package and enable U.S. Cellular to attract and retain talented employees, including the named executive officers. Benefits and plans are an important part of the mix of compensation used to attract and retain management, but do not significantly affect decisions relating to other elements of annual or long-term compensation, which are provided consistent with the above compensation objectives.

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Deferred Salary and Bonus

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

As indicated in the below tables, certain of the named executive officers have deferred a specified portion of their salaries and/or bonuses pursuant to the above-described arrangements. The executive is always 100% vested in all salary and bonus amounts that have been deferred and any interest credited with respect thereto. Accordingly, the executive is entitled to 100% of the amount deferred and all earnings thereon upon any termination. Any such amounts are reported in the Nonqualified Deferred Compensation table below and, because there would not be any increased benefit or accelerated vesting in the event of any termination or change in control, are not included in the below Table of Potential Payments upon Termination or Change in Control.

Deferred Bonus under the Long-Term Incentive Plan ("LTIP") In addition to being permitted to defer some or all of their bonuses into an interest-bearing arrangement as described immediately above, the named executive officers are also permitted to defer some or all of their bonuses pursuant to deferred bonus compensation agreements under the 2005 or 2013 LTIPs, as discussed below. 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 under the long-term incentive plan will be deemed invested in phantom U.S. Cellular Common Shares. The named executive officers receive a distribution of the deferred bonus account at the time and in the form provided in the plan, which permits certain distribution elections by the officer.

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

U.S. Cellular 2013 Long-Term Incentive Plan

The annual long-term compensation awards in 2016 were made under U.S. Cellular's 2013 LTIP. The awards to the named executive officers were granted on April 1, 2016.

The following briefly describes the current terms of the 2013 LTIP in relation to executive compensation.

Under the 2013 LTIP, U.S. Cellular is authorized to grant stock options, stock appreciation rights, bonus stock awards, restricted stock awards, restricted stock unit awards, performance awards and employer match awards for deferred bonus. The following provides certain additional information relating to deferred bonus stock unit match awards, restricted stock units and stock options, which are the only awards currently outstanding under the plan. U.S. Cellular intends to grant performance awards during 2017.

Pursuant to the 2013 LTIP, each officer may elect to defer all or a portion of his or her annual bonus. U.S. Cellular will allocate a stock unit match award to the employee's deferred compensation account in an amount equal to the sum of (i) 25% of the deferred bonus amount which is not in excess of one-half of the employee's gross bonus for the year and (ii) 33 1/3% of the deferred bonus amount which is in excess of one-half of the employee's gross bonus for the year. The stock unit match awards will be deemed invested in phantom Common Shares and will vest ratably at a rate of one-third per year over three years.

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

If a recipient of an award under the 2013 LTIP enters into competition with, or misappropriates confidential information of, U.S. Cellular or any affiliate thereof, including TDS and its affiliates, or the recipient's employment with U.S. Cellular or any affiliate thereof is terminated on account of the officer's negligence or willful misconduct, then such awards shall terminate and be forfeited. In addition, the 2013 Long-Term Incentive Plan provides that the LTICC may impose other conditions on an award, and pursuant thereto, certain awards under the plan have been granted subject to forfeiture in the event of the officer's violation of non-solicitation and non-disparagement agreements. Also see "Clawback" below.

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

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

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

The restricted stock units granted to the named executive officers in 2016 vest in full (cliff vesting) on the third anniversary of the date of grant, subject to continued employment. Stock options granted in 2016 become exercisable with respect to 33 1/3% of the shares underlying the stock option each year over a three year period and are exercisable until the tenth anniversary of the date of grant, in each case, subject to continued employment.

The 2013 LTIP broadly prohibits, without shareholder approval and other than in connection with a change in control, "repricings," including the reduction of the exercise price of an outstanding stock option or the base price of an outstanding SAR or the cash buyout of underwater stock options.

Change in Control

The following summarizes the change in control provisions of the 2013 LTIP:

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

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

The foregoing outlines the potential effect of a 2013 LTIP Change in Control relating to all awards available under the 2013 LTIP. However, U.S. Cellular currently only has outstanding under the 2013 LTIP restricted stock units, stock

options and phantom stock units related to deferred compensation accounts.

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

For a copy of the 2013 LTIP and amendment number one thereto, please see Exhibits A and B to our 2016 proxy statement which can be found at www.uscellular.com, under Our Company-Investor Relations-Financial Reports & Information.

U.S. Cellular 2005 Long-Term Incentive Plan

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

No additional awards will be granted under the 2005 LTIP. Only stock options and phantom stock units related to deferred compensation accounts are outstanding under the 2005 LTIP. These awards were subject to vesting periods specified at the time of grant and are now fully vested.

The 2005 LTIP and related award agreements provide various rights upon resignation (with prior consent of the U.S. Cellular board of directors), retirement, special retirement, disability, death, or other termination or separation from service, and upon a change in control thereunder, as summarized below.

The 2005 LTIP prohibits, without shareholder approval, a "repricing" involving the reduction of the exercise price of an outstanding stock option.

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Change in Control

The following summarizes the change in control provisions of the U.S. Cellular 2005 LTIP.

Notwithstanding any other provision in the 2005 LTIP or any agreement, in the event of a 2005 LTIP Change in Control (as described below), the board of directors may, but will not be required to, make such adjustments to outstanding awards under the 2005 LTIP as it deems appropriate, including without limitation, (i) electing that outstanding awards be surrendered to U.S. Cellular in exchange for a payment of cash; and (iii) in the event of a transaction specified in clauses (ii) and (iii) of the next paragraph, in connection with which the holders of Common Shares receive shares of common stock that are registered under Section 12 of the Exchange Act, substituting for each Common Share available under the 2005 LTIP, whether or not then subject to an outstanding award, the number and class of shares into which each outstanding Common Share is converted pursuant to such 2005 LTIP Change in Control.

Generally, a "2005 LTIP Change in Control" is defined in the 2005 LTIP as: (i) an acquisition by a person or entity of 25% or more of the combined voting power of the then outstanding securities of U.S. Cellular entitled to vote generally on matters (without regard to the election of directors), subject to certain exceptions; (ii) unapproved changes in the majority of the members of the board of directors; (iii) certain corporate restructurings, including certain reorganizations, mergers, consolidations or sales or other dispositions of all or substantially all of the assets of U.S. Cellular; or (iv) approval by the shareholders of U.S. Cellular of a plan of complete liquidation or dissolution of U.S. Cellular.

Because awards outstanding under the 2005 LTIP are fully vested, no amounts are reported in the below Table of Potential Payments upon Termination or Change in Control.

For a copy of the 2005 LTIP, see Exhibit C to U.S. Cellular's 2009 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 that exceeded that calculated using 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 plan year in 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 attributable to the SERP is included in the below Table of Potential Payments upon Termination or Change in Control. The balance of the SERP as of December 31, 2016 for each named executive officer is set forth in the "Nonqualified Deferred Compensation" table below.

Perquisites

U.S. Cellular does not provide significant perquisites to its executive officers. See note (i) under "Explanation of Columns" under the Summary Compensation Table below for information about perquisites provided to the named executive officers. In addition, U.S. Cellular 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, U.S. Cellular may enter into employment, retirement, severance or similar agreements that may provide for perquisites.

Perquisites and personal benefits represent a relatively insignificant portion of the named executive officers' total compensation. Accordingly, they do not materially influence the Chairman's or LTICC's consideration in setting compensation.

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Other Generally Applicable Benefits and Plans

Tax-Deferred Savings Plan

TDS sponsors the Tax-Deferred Savings Plan, 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 its subsidiaries which have adopted the plan, including U.S. Cellular. Employees contribute amounts from their compensation and U.S. Cellular makes matching contributions in part. U.S. Cellular makes 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. Employees have the option of investing their contributions and U.S. Cellular's contributions in a TDS Common Share fund, a U.S. Cellular Common Share fund and certain unaffiliated funds. Contributions into the common stock funds are limited to no more than 20%, combined. 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 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 (a) as a lump sum (full or partial) or (b) in 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 eligible 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 TDS 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 eligible

employees of participating employers (subject to certain restrictions for non-U.S. Cellular employees hired after December 31, 2014), 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.

Health and Welfare Benefits

TDS also provides customary health and welfare and similar plans for the benefit of employees of TDS and its subsidiaries, including U.S. Cellular. 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 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.

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Impact of Accounting and Tax Treatments of Particular Forms of Compensation

The Chairman and the LTICC consider the accounting and tax treatments of particular forms of compensation. Accounting treatments do not significantly impact the determinations of the appropriate compensation for U.S. Cellular executive officers. The Chairman and the LTICC consider 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.

U.S. Cellular places more significance on the tax treatments of particular forms of compensation, because these may involve 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 and the corporation's other three most highly compensated officers, exclusive of the principal executive officer 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, U.S. Cellular considers the net cost, and its ability to effectively administer executive compensation to promote corporate goals and in the long-term interest of shareholders. U.S. Cellular believes that it is important to preserve flexibility in administering compensation programs in a manner designed to promote corporate goals. Accordingly, although U.S. Cellular considers the deductibility of particular forms of compensation, U.S. Cellular may approve elements of compensation that are consistent with the objectives of our executive compensation program, but that may not be fully deductible. Furthermore, Section 162(m) and the regulations thereunder have uncertainties and any attempted compliance or deduction may be challenged by the Internal Revenue Service. There can be no assurance that any amount of compensation will be deductible under Section 162(m).

U.S. Cellular 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 reimbursements related to Mr. Meyers' retiree medical benefits as discussed below and certain perquisites.

Clawback

Depending on the facts and circumstances, U.S. Cellular may seek to adjust or recover awards or payments if the relevant U.S. Cellular 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, U.S. Cellular will be required to adopt a formal clawback policy that satisfies SEC and NYSE requirements after these are finalized.

Policy on Stock Ownership by Executive Officers

U.S. Cellular does not have a formal policy relating to stock ownership by executive officers. TDS' Policy Regarding Insider Trading and Confidentiality, which is applicable to U.S. Cellular's executive officers, 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. U.S. Cellular 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 Chairman and the members of the LTICC oversee U.S. Cellular's compensation programs on behalf of the board of directors. In fulfilling their oversight responsibilities, the persons whose names are listed below reviewed and discussed with management the Compensation Discussion and Analysis set forth above in this 2017 Proxy Statement.

In reliance on the review and discussions referred to above, the persons whose names are listed below recommended to the full board of directors that the above Compensation Discussion and Analysis be included in U.S. Cellular's Form 10-K for the year ended December 31, 2016 and U.S. Cellular's Proxy Statement related to the 2017 Annual Meeting.

The above Compensation Committee Report is submitted by LeRoy T. Carlson, Jr., who functions as the compensation committee, except with respect to long-term equity-based compensation, and by Paul-Henri Denuit (Chairperson), J. Samuel Crowley, Ronald E. Daly, Gregory P. Josefowicz and Cecelia D. Stewart, the members of the LTICC, which has responsibility with respect to long-term equity-based compensation.

Because U.S. Cellular does not have a formal independent compensation committee except with respect to long-term equity-based compensation, the above Compensation Committee Report is also submitted by each of the members of the board of directors: LeRoy T. Carlson, Jr. (Chairman), James Barr III, Steven T. Campbell, Walter C. D. Carlson, J. Samuel Crowley, Ronald E. Daly, Paul-Henri Denuit, Harry J. Harczak, Jr., Gregory P. Josefowicz, Kenneth R. Meyers, Peter L. Sereda, Douglas D. Shuma, Cecelia D. Stewart and Kurt B. Thaus.

Risks from Compensation Policies and Practices

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

With respect to compensation in 2016, representatives of U.S. Cellular took the steps set forth below to assess the risks associated with U.S. Cellular's 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 U.S. Cellular's 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 briefly summarized below.

In addition, U.S. Cellular considered the following processes and matters in evaluating risk. U.S. Cellular 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 U.S. Cellular. U.S. Cellular also has an Enterprise Risk Management process that has not identified any compensation policies or practices that are reasonably likely to have a material adverse effect on U.S. Cellular. In addition, in connection with its process to review and identify risks for its Form 10-K, U.S. Cellular did not identify any compensation policies or practices that are reasonably likely to have a material adverse effect on U.S. Cellular. Furthermore, U.S. Cellular has not had any incident in which its compensation policies and practices have had a material adverse effect on U.S. Cellular and, although U.S. Cellular's compensation policies and practices have evolved over time, their risk characteristics have not changed in any material respect for several years. U.S. Cellular 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. U.S. Cellular's compensation policies and practices have been developed over time with the assistance of its nationally-recognized compensation consultant, Willis Towers Watson.

U.S. Cellular 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. For the reasons discussed therein, U.S. Cellular does not believe that its compensation policies and practices relating to executive officers are reasonably likely to have a material adverse effect on U.S. Cellular.

As a telecommunications company, U.S. Cellular faces general business risks similar to many other businesses and certain other risks specific to a telecommunications business (as disclosed in U.S. Cellular's most recent Form 10-K). However, U.S. Cellular does not have any business units unrelated to its wireless business (such as business units involved in finance, securities, investing, speculation or similar activities, that might have different risk profiles, or where compensation expense is a significant 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 U.S. Cellular). As a result, U.S. Cellular's risks relate only to its wireless business.

The general design philosophy of the compensation policies and practices for employees, including non-executive officers, of U.S. Cellular 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 incentives established by such policies and practices are the non-executive officers and director-level employees of U.S. Cellular.

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Similar to 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 the stock price declines 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, in part, 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. U.S. Cellular is subject to an authorization policy that requires various levels of approvals for employees to take action depending on the dollar amount involved, and has internal controls, procedures and processes to monitor and review such actions. Under such policy, actions that could have a material effect on U.S. Cellular would need to be approved by the board of directors and/or one or more executive officers of U.S. Cellular. U.S. Cellular's 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, not awarded or not increased, if an employee undertook unauthorized risk. Also, depending on the facts and circumstances, U.S. Cellular 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, U.S. Cellular 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 U.S. Cellular.

Compensation Tables

Summary of Compensation

The following table summarizes the compensation paid by U.S. Cellular to the named executive officers for 2016, 2015 and 2014. Compensation reported under "Stock Awards" and "Option Awards" in the below table represents grant date accounting values as required by SEC rules, and does not represent currently realized or realizable compensation. The named executive officers will not realize cash from such awards unless and until any stock awards are vested and the shares received upon vesting are sold for cash, or unless and until any stock options become exercisable, are exercised and the shares received upon exercise are sold for cash. There is no assurance that this will occur. In general, awards are subject to a risk of forfeiture and the options will expire if not exercised during their term, which may occur if the stock price does not appreciate and/or remain above the exercise price during the option's term. The compensation actually realized by a named executive officer may be more or less than the amount reported in the below Summary Compensation Table depending on the performance of the U.S. Cellular stock price. With respect to 2016, the amount of compensation realized by each named executive officer can be approximated by

(i) deducting from the "Total" column in the 2016 Summary Compensation Table the amounts reported in the "Stock Awards" and "Option Awards" columns for such officer, and (ii) adding the values realized in 2016 by such officer from the 2016 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 which are subject to a vesting schedule.

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2016 Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value and Non-qualified Deferred Compensation Earnings	All Other Compensation	Total
(a)	(b)	(\$) (c)	(\$) (d)	(\$) (e)	(\$) (f)	(\$) (g)	(\$) (h)	(\$) (i)	(\$) (j)
Kenneth R. Meyers 1, 6 President and Chief Executive Officer	2016	\$948,000	\$1,007,200	\$2,656,905	\$2,634,164	\$–	\$26,056	\$79,508	\$7,351,833
	2015	\$905,300	\$964,000	\$1,982,307	\$1,978,484	\$–	\$16,911	\$82,325	\$5,929,327
	2014	\$865,300	\$743,000	\$1,763,012	\$1,754,325	\$–	\$10,684	\$84,886	\$5,221,207
Steven T. Campbell 2, 6 Executive Vice President-Finance, Chief Financial Officer and Treasurer	2016	\$605,000	\$203,924	\$889,878	\$693,974	\$286,076	\$3,549	\$81,184	\$2,763,585
	2015	\$585,667	\$175,837	\$633,890	\$678,295	\$251,163	\$1,518	\$82,916	\$2,409,286
	2014	\$561,000	\$416,609	\$475,885	\$646,555	\$166,391	\$1,441	\$61,880	\$2,329,761
Jay M. Ellison 3, 6 Executive Vice President – Operations	2016	\$548,167	\$225,929	\$931,895	\$726,534	\$324,071	\$688	\$80,082	\$2,837,366
	2015	\$526,667	\$217,013	\$662,953	\$709,601	\$309,987	\$103	\$80,918	\$2,507,242
	2014	\$485,000	\$213,873	\$505,316	\$686,614	\$197,127	\$–	\$49,511	\$2,137,441
Michael S. Irizarry 4, 6 Executive Vice President and Chief Technology Officer – Engineering and Information Services	2016	\$623,917	\$194,569	\$917,675	\$715,680	\$270,431	\$5,402	\$86,208	\$2,813,882
	2015	\$605,750	\$181,362	\$653,739	\$699,662	\$259,038	\$2,433	\$86,411	\$2,488,395
	2014	\$589,543	\$407,348	\$466,198	\$633,469	\$174,652	\$2,473	\$75,535	\$2,349,218
Deirdre C. Drake 5, 6 Senior Vice	2016	\$404,167	\$114,415	\$423,609	\$330,388	\$159,585	\$–	\$44,615	\$1,476,779
	2015	\$387,500	\$95,163	\$297,952	\$318,774	\$135,837	\$–	\$19,115	\$1,254,341
	2014	\$265,500	\$60,914	\$400,003	\$189,693	\$64,086	\$–	\$75,845	\$1,056,041

President – Chief
Human Resources
Officer

Explanation of Columns:

a. Pursuant to SEC rules, includes the following "named executive officers": all individuals serving as U.S. Cellular's principal executive officer or acting in a similar capacity at any time during the last completed fiscal year; all individuals serving as the principal financial officer or acting in a similar capacity at any time 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. 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).

LeRoy T. Carlson, Jr., Chairman of U.S. Cellular, and Douglas D. Shuma, Chief Accounting Officer of U.S. Cellular, receive no compensation directly from U.S. Cellular and are compensated by TDS in connection with their services for TDS and TDS subsidiaries, including U.S. Cellular. A portion of the compensation expense incurred by TDS for such persons was 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 allocation of cost pursuant to the Intercompany Agreement discussed below under "Intercompany Agreement." There is no identification or quantification of the compensation of such persons to U.S. Cellular, or of any other allocated expense in this allocation of cost. The allocation of cost is recorded as a single expense by U.S. Cellular. U.S. Cellular does not obtain details of the components that make up this allocation of cost and does not separate any part of the allocation of cost to other accounts such as compensation expense. Accordingly, the compensation expenses incurred by TDS with respect to such persons are not reported in the above table. However, for purposes of disclosure, approximately 69% of the compensation expense incurred by TDS in 2016 with respect to LeRoy T. Carlson, Jr. and Douglas D. Shuma, was included by TDS in the total allocation of cost to U.S. Cellular. Information with respect to 2016 compensation from TDS to LeRoy T. Carlson, Jr. and Douglas D. Shuma is included in TDS' proxy statement related to its 2017 annual meeting.

b. For additional details relating to 2015, see the U.S. Cellular Proxy Statement filed with the SEC on Schedule 14A dated April 12, 2016. For additional details relating to 2014, see the U.S. Cellular Proxy Statement filed with the SEC on Schedule 14A dated April 7, 2015.

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c. Represents the dollar value of base salary (cash and non-cash) earned by the named executive officer during the fiscal year. Only Kenneth R. Meyers deferred a portion of his salary in 2016, all of which salary is included in column (c) whether or not deferred. Mr. Meyers deferred \$113,323 of his 2016 salary to an interest-bearing account. See "Information Regarding Nonqualified Deferred Compensation" below for further information.

d. Represents the dollar value of bonus (cash and non-cash) earned by the named executive officer during the fiscal year. See Note (6) below. The entire amount of bonus, including any amount deferred, is included in the Summary Compensation Table above. See "Information Regarding Nonqualified Deferred Compensation" below for further information.

Kenneth R. Meyers was the only named executive officer who deferred a portion of his bonus for 2015 performance paid in 2016. The following is a summary of the amount of bonus for 2015 performance paid in 2016 and the amount deferred. The following demonstrates the calculation of the number of U.S. Cellular Common Shares underlying deferred bonus and the number of U.S. Cellular Common Shares underlying the company match in 2016. These numbers are reflected in subsequent tables below

	Kenneth R. Meyers
Total 2015 Bonus Paid in 2016	\$964,000
Percentage Deferred	50%
Amount Deferred	\$482,000
Less Amount Deferred to Interest Account (25% of bonus)	\$241,000
Deferred to USM Phantom Stock (25% of bonus)	\$241,000
Number of Underlying USM Common Shares for Deferred Bonus	5,834
Company Match - see Note "e"	\$60,250
Number of Underlying USM Common Shares for Company Match	1,458

Kenneth R. Meyers elected to defer 25% of his bonus for 2016 performance paid in 2017 into phantom stock and 25% of such bonus into an interest-bearing arrangement. This will be reflected in next year's proxy statement.

Includes retention bonuses ("Retention Bonus") paid to Mr. Campbell and Mr. Irizarry under Retention Bonus Letters ("Retention Bonus Letters") entered into in 2011. The purpose of the Retention Bonus was to ensure that the industry expertise of such executives was preserved for the benefit of U.S. Cellular through at least April 1, 2014. Since each such executive remained continuously employed by U.S. Cellular through April 1, 2014 and on such date was actively engaged in carrying out his employment responsibilities with U.S. Cellular, U.S. Cellular paid each of the foregoing executives a Retention Bonus in the amount of \$250,000 on April 2, 2014

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." Assumptions made in the valuation of stock awards in this column are described in Note 16—Stock-Based Compensation in U.S. Cellular's financial statements for the year ended December 31, 2016 included in the accompanying Annual Report to Shareholders for the year ended December 31, 2016, which is also included as Exhibit 13 to the U.S. Cellular Annual Report on Form 10-K for the year ended December 31, 2016.

Includes the aggregate grant date fair value computed in accordance with FASB ASC 718 related to restricted stock units granted under the U.S. Cellular LTIP.

Includes the aggregate grant date fair value computed in accordance with FASB ASC 718 related to phantom stock match units awarded to such officer with respect to deferred bonus, if any bonus is elected to be deferred as phantom stock. In such case, the deferred bonus and the related match are deemed invested in phantom U.S. Cellular Common Shares.

The dates on which the stock awards granted in 2016 become vested are set forth below under "Grants of Plan-Based Awards."

Pursuant to SEC rules and interpretations, column (e) includes the grant date fair value of stock awards even if the awards are subsequently forfeited.

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." Assumptions made in the valuation of the stock option awards in this column are described in Note 16—Stock-Based Compensation, in U.S. Cellular's financial statements for the year ended December 31, 2016 included in the accompanying Annual Report to Shareholders for the year ended December 31, 2016, which is also included as Exhibit 13 to the U.S. Cellular Annual Report on Form 10-K for the year ended December 31, 2016.

Pursuant to SEC rules and interpretations, column (f) includes the grant date fair value of stock option awards even if the awards are subsequently forfeited.

g. Represents the portion of the bonus for 2016 performance paid in 2017 that represents non-equity incentive plan compensation pursuant to SEC rules. See Note (6) below. Also, see the discussion under "Bonus" in the above Compensation Discussion and Analysis.

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h. As required by SEC rules, column (h) includes the portion of interest that exceeded that calculated utilizing the AFR at the time the interest rate was set. Each of the named executive officers currently participates in a supplemental executive retirement plan or SERP. The interest rate under the SERP for 2016 was set as of the last trading date of 2015 at 4.2398% per annum, based on the yield on ten year BBB rated industrial bonds at such time. Such rate exceeded the AFR of 3.13% at such time. Accordingly, pursuant to SEC rules, column (h) of the Summary Compensation Table for 2016 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 that exceeded that calculated utilizing the AFR that Mr. Meyers received on deferred salary or bonus under interest-bearing deferral arrangements. Interest on deferred salary or bonus is compounded monthly, computed at a rate equal to one-twelfth of the sum of the average twenty-year Treasury Bond rate plus 1.25 percentage points. The below information is from the table of 2016 Nonqualified Deferred Compensation below

	Kenneth R. Meyers	Steven T. Campbell	Jay M. Ellison	Michael S. Irizarry	Deirdre C. Drake
Excess Earnings SERP	\$9,590	\$ 3,549	\$ 688	\$ 5,402	\$ –
Deferred Salary or Bonus	5,068	–	–	–	–
Total Excess Earnings from U.S. Cellular	\$ 14,658	\$ 3,549	\$ 688	\$ 5,402	\$ –
Excess Earnings from Salary and Bonus previously deferred as officer of TDS	11,398	–	–	–	–
Total Excess Earnings	\$ 26,056	\$ 3,549	\$ 688	\$ 5,402	\$ –

Column (h) does not include any changes in pension values because U.S. Cellular does not have any defined benefit pension plans or pension plans (including supplemental defined benefit pension plans) where the retirement benefit is actuarially determined that cover executive officers. 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 qualified defined contribution plans and the Supplemental Executive Retirement Plan ("SERP") is a non-qualified defined contribution plan.

i. Does not include perquisites and other personal benefits, or property, unless the aggregate amount of such compensation is \$10,000 or more.

Column (i) includes the following in 2016: (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 U.S. Cellular, including any related tax gross up (if the total amount is less than \$10,000, the following indicates "N/A"), and (2) contributions by U.S. Cellular for the benefit of the named executive officer under (a) the TDSP, (b) the TDS Pension Plan, and (c) the SERP:

	Kenneth R. Meyers	Steven T. Campbell	Jay M. Ellison	Michael S. Irizarry	Deirdre C. Drake
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Perquisites:

Corporate automobile allowance and other personal travel and related expenses	\$10,394	\$9,836	\$11,721	\$12,564	\$-
Other (Club Dues and Health and Fitness Reimbursements)	2,500	-	-	-	-
Tax gross up	3,544	8,278	5,291	10,574	-
Total Perquisites if \$10,000 or more	\$16,438	\$18,114	\$17,012	\$23,138	\$-

Contributions to Benefit Plans

TDSP	\$10,070	\$10,070	\$10,070	\$10,070	\$10,070
TDS Pension Plan	12,345	12,345	12,345	12,345	12,345
SERP	40,655	40,655	40,655	40,655	22,200
Total, including perquisites if \$10,000 or more	\$79,508	\$81,184	\$80,082	\$86,208	\$44,615

U.S. Cellular does not provide significant perquisites to its officers. Perquisites are valued based on the incremental cost to U.S. Cellular. Perquisites are not reported if they are reimbursed by the executive officer.

U.S. Cellular and its parent, TDS, 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 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 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 eligible employees of participating employers. U.S. Cellular and its subsidiaries make contributions to the plans for each of their employees who participate.

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The SERP is a non-qualified defined contribution retirement 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. U.S. Cellular and its subsidiaries make annual employer contributions for each of their employees who participate.

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. Kenneth R. Meyers, as President and CEO, is included above as U.S. Cellular's principal executive officer. On July 25, 2013, U.S. Cellular and Mr. Meyers entered into the Meyers Letter Agreement, related to Mr. Meyers' employment as U.S. Cellular's President and Chief Executive Officer effective June 22, 2013. 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 of the Meyers Letter Agreement that continue.

i. Annual Equity Awards: The Meyers Letter Agreement provides that the Chairman will recommend that the U.S. Cellular LTICC approve (and pursuant to such recommendation, the U.S. Cellular LTICC 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. For purposes hereof, the "Equity Conditions" are that Mr. Meyers terminates without cause, performs reasonably requested consulting services and does not compete with the company or misappropriate the company's confidential information through the earlier of (i) the third anniversary of his retirement date and (ii) the tenth anniversary of the date the award was granted.

ii. 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.

iii. 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.

2. Steven T. Campbell, Executive Vice President—Finance, Chief Financial Officer and Treasurer, is included above as U.S. Cellular's principal financial officer. U.S. Cellular does not have any employment, severance or similar

agreement with Mr. Campbell that is executory.

3. Jay M. Ellison, Executive Vice President—Operations, is included above as one of the three most highly compensated executive officers other than the principal executive officer or principal financial officer who was serving as an executive officer at the end of the last completed fiscal year.

The Ellison Letter Agreement when signed provided that Mr. Ellison would be eligible for a Long-Term Incentive (LTI) value of at least 155% of his base pay, of which 50% would be paid as stock options and 50% would be paid as restricted stock units. The agreement states that in subsequent years the equity award vehicles and performance targets will change based on the current form of the LTIP. A copy of the Ellison Letter Agreement was attached as Exhibit 10.16 to U.S. Cellular's Annual Report on Form 10-K for the year ended December 31, 2013.

4. Michael S. Irizarry, Executive Vice President and Chief Technology Officer—Engineering and Information Services, is included above as one of the three most highly compensated executive officers other than the principal executive officer or principal financial officer who was serving as an executive officer at the end of the last completed fiscal year. U.S. Cellular does not have any employment, severance or similar agreement with Mr. Irizarry that is executory.

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5. Deirdre C. Drake, Senior Vice President—Chief Human Resources Officer, is included above as one of the three most highly compensated executive officers other than the principal executive officer or principal financial officer who was serving as an executive officer at the end of the last completed fiscal year. Ms. Drake joined U.S. Cellular in April 2014 and entered into the Drake Letter Agreement, related to Ms. Drake's employment as U.S. Cellular's Senior Vice President—Chief Human Resources Officer effective April 15, 2014. A copy of the Drake Letter Agreement was attached as Exhibit 10.27 to U.S. Cellular's Annual Report on Form 10-K for the year ended December 31, 2014. The following is a brief description of the terms of the Drake Letter Agreement: (i) annualized starting salary of \$375,000 for 2014; (ii) target bonus for 2014 equal to 45% of Ms. Drake's 2014 annual salary; (iii) an initial award of non-qualified stock options having a value of \$187,500 that will vest in three installments (33 1/3% each year) over three years; (iv) an initial restricted stock unit award having a value of \$400,000 that will vest three years after the date of employment with U.S. Cellular and (v) a target Long-Term Incentive (LTI) value of 100% of base pay, of which 50% will be paid as stock options and 50% will be paid as restricted stock units.

6. The following summarizes the bonus amounts in the 2016 row in the Summary Compensation Table for the named executive officers who were paid a bonus in 2017 for 2016 performance:

	Kenneth R. Meyers	Steven T. Campbell	Jay M. Ellison	Michael S. Irizarry	Deirdre C. Drake
Bonus paid in 2017 for 2016 Performance	\$ 1,007,200	\$ 490,000	\$ 550,000	\$ 465,000	\$ 274,000
Less amount reported as Non-Equity Incentive Plan Compensation for 2016	–	286,076	324,071	270,431	159,585
Total Amount reported as Bonus for 2016	\$ 1,007,200	\$ 203,924	\$ 225,929	\$ 194,569	\$ 114,415

Information Regarding Plan-Based Awards Table

The following table shows, as to the executive officers who are named in the Summary Compensation Table, certain information regarding plan-based awards in 2016.

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2016 Grants of Plan-Based Awards

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (l)
		Threshold	Target	Maximum				
(a)	(b)	(\$) (c)	(\$) (d)	(\$) (e)	(i)	(j)	(k)	(l)
Kenneth R. Meyers Stock Awards Award of U.S. Cellular Phantom Stock Match Units for 2015 Bonus paid in 2016 Performance Awards in Common Shares ² :	3/10/16				1,458			\$60,250
Restricted Stock Units	4/1/16				56,609			\$2,596,655
Total Grant Date Value of Stock Awards								\$2,656,905
Stock Options	4/1/16					206,300	\$45.87	\$2,634,164
Aggregate Grant Date Fair Value of All Awards								\$5,291,069
Steven T. Campbell Non-Equity Incentive Plan Awards ¹ Awards in Common Shares ² :	N/A	\$16,416	\$218,880	\$484,272				
Restricted Stock Units	4/1/16				19,400			\$889,878
Stock Options	4/1/16					54,350	\$45.87	\$693,974
Aggregate Grant Date Fair Value of All Awards								\$1,583,852
Jay M. Ellison Non-Equity Incentive Plan Awards ¹	N/A	\$18,596	\$247,950	\$548,589				

Awards in Common
Shares2 :

Restricted Stock Units	4/1/16		20,316			\$931,895
Stock Options	4/1/16			56,900	\$45.87	\$726,534
Aggregate Grant Date Fair Value of All Awards						\$1,658,429

Michael S. Irizarry
Non-Equity Incentive
Plan Awards1 N/A \$15,518 \$206,910 \$457,788

Awards in Common
Shares2 :

Restricted Stock Units	4/1/16		20,006			\$917,675
Stock Options	4/1/16			56,050	\$45.87	\$715,680
Aggregate Grant Date Fair Value of All Awards						\$1,633,355

Deirdre C. Drake
Non-Equity Incentive
Plan Awards1 N/A \$9,158 \$122,100 \$270,146

Awards in Common
Shares2 :

Restricted Stock Units	4/1/16		9,235			\$423,609
Stock Options	4/1/16			25,875	\$45.87	\$330,388
Aggregate Grant Date Fair Value of All Awards						\$753,997

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Explanation
of
Columns:

- a. Includes the persons identified in the Summary Compensation Table. Represents (i) in the case of restricted stock units and options, the date on which the Long-Term Incentive Compensation Committee took or was deemed to take action to grant the awards, and (ii) in the case of the phantom stock bonus match units, the date that such units were awarded to the officer pursuant to the U.S. Cellular long-term incentive plan.
- b.
- c. - e. These columns relate to non-equity incentive plan awards, as defined by SEC rules. See Note (1)

below.

Columns (f) –
(h) set forth in
Item 402(d) of
Regulation
S-K relating to
equity
incentive plan
awards are not
applicable
because the
named

f. - h. executive
officers did not
receive any
equity
incentive plan
awards, as
defined by
SEC rules.
Accordingly,
such columns
are not
included
above.

i. Includes the
number of
U.S. Cellular
Common
Shares
underlying
restricted stock
units awarded
pursuant to the
U.S. Cellular
long-term
incentive
plan. Such
restricted stock
units granted
to named
executive
officers were
granted on
April 1, 2016
and will
become vested
on the third
anniversary of
the grant date,
or on April 1,

2019.

Also includes the number of U.S. Cellular Common Shares underlying phantom stock match units awarded pursuant to the U.S. Cellular long-term incentive plan related to the 2015 bonus paid in 2016.

The match stock units vest ratably at a rate of one-third per year over three years.

Represents the number of U.S. Cellular Common Shares underlying stock options awarded during the fiscal year pursuant to the U.S. Cellular long-term incentive plans.

j.

The stock options granted to named executive officers were granted on April 1, 2016 at an exercise price of \$45.87 per share, which was the

closing price
of a U.S.
Cellular
Common
Share on April
1, 2016. Such
stock options
become
exercisable
with respect to
one third of
the shares
underlying the
stock option
on April 1,
2017, 2018
and 2019 and
are exercisable
until April 1,
2026.

Represents the
per-share
exercise price
of the stock
options
granted in
column (j).

k. Such exercise
price is not
less than the
closing market
price of the
underlying
security on the
date of the
grant.

l. Represents the
grant date fair
value of each
equity award
computed in
accordance
with FASB
ASC 718.

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Footnotes:

1. Represents certain amounts payable under the 2016 Executive Bonus Plan. The above amounts relate to the quantitative company performance portion of the bonus with respect to 2016 performance that was paid in 2017. The Threshold amount represents the minimum bonus for quantitative company performance that would have been paid in 2017 if only the Customer Engagement measure (with a weight of 15%) equaled or exceeded the minimum threshold goal for such measure in 2016 (which was 50% of target). Thus, the Threshold amount is 7.5% (calculated as 15% x 50%) of the Target amount. The Target amount represents the bonus for quantitative company performance that would have been paid in 2017 if the target performance for the payment of a bonus was achieved for each financial performance measure in 2016. The Maximum amount represents the maximum bonus for quantitative company performance that would have been paid in 2017 if each financial performance measure in 2016 equaled or exceeded 225% of its target in 2016, except for the Customer Engagement measure for which 200% is the maximum payout. The following shows the calculation of the actual amount of non-equity incentive plan compensation in 2016 for reference for comparison to the Threshold, Target and Maximum applicable to the portion of the bonus based on quantitative company performance. See the above Compensation Discussion and Analysis for additional information under “Summary of Bonus Payments.”

	Formula	Steven T. Campbell	Jay M. Ellison	Michael S. Irizarry	Deirdre C. Drake	
a	2016 base salary as of 3/1/16	\$ 608,000	\$ 551,000	\$ 627,000	\$ 407,000	
b	Target bonus percentage	60%	75%	55%	50%	
c	Target bonus Percentage of 2016 target	a x b	\$ 364,800	\$ 413,250	\$ 344,850	\$ 203,500
d	bonus based on company performance	60%	60%	60%	60%	
e	Target bonus for company performance	c x d	\$ 218,880	\$ 247,950	\$ 206,910	\$ 122,100
f	Amount of threshold bonus	e x 7.5%	\$ 16,416	\$ 18,596	\$ 15,518	\$ 9,158

	for company performance					
	Amount of maximum					
g	bonus for company performance	e x 221.25%	\$ 484,272	\$ 548,589	\$ 457,788	\$ 270,146
	Calculation of amount reported under "Non-Equity Incentive Plan Compensation"					
h	column based on company performance in 2016 (rounded)	e x 130.7%	\$ 286,076	\$ 324,071	\$ 270,431	\$ 159,585

2. Pursuant to the U.S. Cellular 2013 Long-Term Incentive Plan, on April 1, 2016, such executive officer was granted restricted stock units and stock options to purchase U.S. Cellular Common Shares as indicated above. The aggregate grant date fair value computed in accordance with FASB ASC 718 of the restricted stock unit 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 stock option awards is reported in the Summary Compensation Table in column (f).

Information Regarding Outstanding Equity Awards at Year End Table

The following table shows, as to the executive officers who are named in the Summary Compensation Table, certain information regarding outstanding equity awards at December 31, 2016.

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2016 Outstanding Equity Awards at Fiscal Year-End

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options: (#) Exercisable	Number of Securities Underlying Unexercised Options: (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)
(a)	(b)	(c)	(e)	(f)	(g)	(h)
Kenneth R. Meyers						
Options:						
2016 Options1		206,300	\$ 45.87	4/1/26		
2015 Options2	66,359	132,716	\$ 36.42	4/1/25		
2014 Options3	109,484	54,741	\$ 41.22	4/1/24		
2013 Meyers Options4		125,000	\$ 39.71	7/31/23		
Stock Awards:						
2016 Restricted Stock Units12					56,609	\$2,474,945
2015 Restricted Stock Units13					53,154	\$2,323,893
2014 Restricted Stock Units14					41,764	\$1,825,922
2013 Meyers Restricted Stock Units15					45,000	\$1,967,400
USM Bonus					1,416	\$61,908

Match Units not vested ¹⁷				
Total	175,843	518,757	197,943	\$8,654,068
Steven T. Campbell Options:				
2016 Options ¹		54,350	\$ 45.87	4/1/26
2015 Options ²	22,750	45,500	\$ 36.42	4/1/25
2014 Options ³	40,350	20,175	\$ 41.22	4/1/24
2013 Options ⁵	57,624		\$ 31.17	4/1/23
2012 Options ⁶	24,677		\$ 34.94	4/2/22
2011 Options ⁷	30,196		\$ 44.59	4/1/21
2008 Options ⁸	31,683			