

TELEPHONE & DATA SYSTEMS INC /DE/
Form PREC14A
March 19, 2015

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

SCHEDULE 14A

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

Telephone and Data Systems, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

PRELIMINARY COPY, DATED MARCH 19, 2015

TELEPHONE AND DATA SYSTEMS, INC.

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

April [], 2015

Dear Shareholders

You are cordially invited to attend the 2015 annual meeting of shareholders ("2015 Annual Meeting") of Telephone and Data Systems, Inc. ("TDS") on Thursday, May 21, 2015, at 8:00 a.m., central time, at City Center West Conference Center, 525 Junction Road, Madison, Wisconsin.

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

1. elect members of the board of directors;
2. ratify the selection of independent registered public accountants for the current fiscal year; and
3. approve, on an advisory basis, the compensation of our named executive officers as disclosed in the attached 2015 Proxy Statement (commonly known as "Say-on-Pay").

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

We would like to have as many shareholders as possible represented at the 2015 Annual Meeting. Therefore, whether or not you plan to attend the meeting, please sign, date and return the enclosed **WHITE** proxy card(s), or vote by phone or on the Internet in accordance with the instructions set forth on the **WHITE** proxy card(s).

We look forward to visiting with you at the 2015 Annual Meeting.

Very truly yours,

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

Walter C.D. Carlson
Chairman of the Board

IMPORTANT

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

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

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

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

Dear Fellow Shareholders

The TDS mission is to provide outstanding communication services to our customers and meet the needs of our shareholders, our people and our communities. In pursuing this mission, we seek to grow our businesses, create opportunities for our associates and employees, and steadily build value over the long term for our shareholders.

Total Company Performance

2014 was a pivotal year for TDS as we started to build momentum from our recent strategic actions across our portfolio of companies.

Our two principal business units are U. S. Cellular, where we own 84%, and wholly-owned TDS Telecom. We are able to differentiate ourselves by being a local provider, primarily in suburban and rural markets. A common factor in our businesses is our focus on providing exceptional customer experiences. At our core, this focus includes everything from offering best-in-class products and services, to the dedication and professionalism of the associates and employees who deliver those services. Another common factor is that our businesses converge around data. For consumers and business customers alike, that means we have the networks to efficiently transport their data, and a whole host of plans, services, and products that enable them to use their data, when and how they want. For shareholders, it's about our plan to monetize the usage of data on our networks over time.

Our financial and operating results continue to reflect the intensely competitive environment in which we operate, and the impact of investments to support our long-term strategy for growth. We believe the investments and other actions we've taken to position our businesses in this manner will enable us to continue improving our performance over time. This past year we made progress in a number of important areas.

U.S. Cellular began to once again drive postpaid customer growth. We did so with our value proposition of best-in-class network; competitive devices, plans, and pricing; and award-winning customer service. The

company increased smartphone penetration and offered more products and services that expand customers' data use.

Our 4G LTE network now reaches 94% of customers and, by the fourth quarter, was supporting 78% of customers' data traffic, further enhancing U.S. Cellular's competitive advantage and ability to retain and attract customers.

At TDS Telecom, our fiber investments and bundling strategy has enabled TDS Telecom to achieve strong growth in TDS TV penetration and broadband adoption in our wireline business. In our cable business, Baja Broadband is proving that the company's expansion into cable is complementing our wireline business, as intended. In September we acquired a second cable company, BendBroadband, which already has delivered strong contributions as well. At OneNeck IT Solutions, which is our hosted and managed services business targeting mid-market customers, we are delivering continued growth in recurring service revenues.

Building Shareholder Value

Our strategic imperative is to build the value of our businesses. We intend to do so by leveraging our improved competitive positioning and allocating our resources effectively to support customer and revenue growth initiatives. In rapidly changing and intensely competitive industries, we are constantly evaluating our operational, developmental, and financial opportunities, and the use of our resources, to strengthen the company. As part of this effort, during 2014 U.S. Cellular monetized non-core assets including spectrum and cell towers. At TDS Telecom, we expanded our presence in the cable business through a second acquisition and divested some small ILEC markets.

Dear Fellow Shareholders (continued)

Returning Value to Our Shareholders

Across the business portfolio, TDS has invested in substantial initiatives over the past few years to position our companies to compete more effectively and operate more efficiently. Our capital allocation strategy is to invest approximately 75% of available resources in this way, and return the remaining 25% to our shareholders through cash dividends and share repurchases. In line with this strategy, we recently announced our 41st consecutive annual dividend increase, increasing our dividend rate by 5.2%. And during 2014, we repurchased \$39.1 million of TDS shares.

Corporate Governance

As the following Proxy Statement Summary highlights, we continue to take steps to improve the effectiveness of our Board of Directors. We have an active refreshment process that led to David Wittwer joining our Board, bringing significant and desired skills in the broadband and cable industry. Our Audit Committee continues to function at a high level, earning top marks in proxy advisor scores and our Compensation Committee continues to evolve programs to better align pay with performance. We began a program this year to hold conversations with our shareholders to better understand their priorities from a corporate governance standpoint and to encourage dialogue regarding ongoing improvements.

We appreciate their candor.

We ask for your support this year to re-elect the TDS slate of nominees. We feel we are making progress in our strategy and continuity at this stage is critical.

Thank you to our fellow shareholders and debt holders for your continuing support of our long-term strategies.

Sincerely,

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

Walter C. D. Carlson
Chairman of the Board

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2015 Proxy Statement Summary

Annual Meeting Information

Time and Date	May 21, 2015, at 8:00 a.m. central time
Place	City Center West Conference Center 525 Junction Road Madison, WI 53717
Record Date	March 30, 2015
Webcast	investors.tdsinc.com

Strong Corporate Governance Practices

TDS has adopted Corporate Governance Guidelines that are intended to reflect good corporate governance and other best practices.

Annual election of all directors

Annual "Say on Pay"

Executive sessions with only independent directors present

Policy prohibiting pledging and hedging of company shares

Charter and bylaws can be amended by a simple majority vote

Authority to retain independent advisors by each committee

TDS has established a Corporate Governance and Nominating Committee even though, as a controlled company, TDS is not required to do so

The Corporate Governance and Nominating Committee operates under a formal charter and in a manner that is intended to reflect good corporate governance and other best practices

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

The TDS Audit Committee, which is comprised entirely of independent directors, operates under a formal charter and in a manner that is intended to reflect good corporate governance and other best practices

Shareholder Engagement

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TDS has an open-door policy for its shareholders to meet with management. Our goal is ongoing engagement with our shareholders and we value the views and opinions of our shareholders.

In 2014, TDS implemented a more formal shareholder engagement program to hold conversations with our shareholders to better understand their priorities regarding corporate governance practices and to encourage dialogue regarding ongoing improvements.

Voting Matters and Board Recommendations

Voting Matters	Board's Recommendations	Rationale	Page Reference
Election of 12 Director nominees	FOR all TDS Board nominees	Broad relevant expertise Strong skills	14
Ratify independent registered public accountants	FOR	Independent	38
Approve, on an advisory basis, the compensation of named executive officers ("Say on Pay")	FOR	Strong oversight by compensation committee Aligned with shareholders through a mix of cash and equity	42

2015 Proxy Statement Summary (continued)

Proposal 1 Director Nominees

Our Board of Directors has nominated 12 directors for election at the 2015 Annual Meeting (Proxy Item No. 1) beginning on page 14. The Board believes that the background and experience of the TDS Board Common Share nominees are more significant and more relevant to TDS than the GAMCO candidates.

Each of the four TDS Board Common Share nominees has experience as a director of TDS, a Fortune 1000 company, ranging from about 6 to 18 years. In addition, the TDS Board Common Share nominees have other more relevant public company board experience [see biographies pages 14-19]. In comparison, it is believed that the GAMCO candidates have minimal public company experience. [pages 10-13]

Accordingly, the TDS Corporate Governance and Nominating Committee and the TDS Board of Directors believe that the GAMCO candidates have substantially less experience and qualifications compared to each of the four TDS Board Common Share nominees.

LeRoy T. Carlson, Jr.	1968	68	President and CEO, TDS					ü
Letitia G. Carlson, M.D.	1996	54	Physician and Associate Clinical Professor at George Washington University					
Prudence E. Carlson	2008	63	Private Investor					
Walter C.D. Carlson	1981	61	Partner at Sidley Austin LLP					C
*Clarence A. Davis	2009	73	Business Consultant	ü		FE		
Kenneth R. Meyers	2007	61	President and CEO, U.S. Cellular					
Christopher D. O'Leary	2006	55	EVP, COO-International, General Mills	ü			ü	
*George W. Off	1997	68	Private Investor	ü		C	ü	
*Mitchell H. Saranow	2004	69	Chairman of The Saranow Group LLC	ü		FE		ü
*Gary L. Sugarman	2009	62	Managing member-Richfield Capital Partners	ü			ü	
Herbert S. Wander	1968	80	Of Counsel, Katten Muchin Rosenman LLP	ü		ü		C
David A. Wittwer	2014	54	President and CEO, TDS Telecom					

*To be elected by Common Shares

AC=Audit Committee

CC=Compensation Committee

CGNC=Corporate Governance and Nominating Committee

C=Chair

FE=Financial Expert

2015 Proxy Statement Summary (continued)

Existing Directors Skills and Qualifications

Active or Retired CEO/COO expertise

Financial expertise

Industry expertise

International expertise

Sales/Marketing expertise

Public company board expertise

Investor/Capital markets expertise

Director Nomination Process

In 2013, the Corporate Governance and Nominating Committee established and since then follows a process relating to board refreshment and committee composition.

Board Self-Assessment

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

Proposal 2 Independent Public Accountant

As a matter of good corporate governance, we are requesting shareholders to ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015.

Proposal 3 Approve, on an advisory basis, the compensation of named executive officers ("Say on Pay")

Executive Compensation Programs

Our executive compensation programs are designed 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.

Compensation Highlights

Compensation Committee comprised solely of independent directors (Wander [Chairman], O'Leary, Sugarman and Off)

Compensation programs designed to motivate executive officers to act in the long-term interests of TDS

Compensation Committee utilizes services of both an independent compensation consultant (Compensation Strategies) and TDS' compensation consultant (Towers Watson)

Compensation Beliefs

Compensation should be attractive and fiscally responsible

Compensation is a mix of salary, cash bonuses and equity-based long-term incentive awards

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

Few perquisites

In 2014 TDS received strong support for its executive compensation with approximately 85% of votes cast approving the advisory resolution.

Communicating with Board of Directors

Any interested party can communicate with an individual director or even the full Board of Directors by sending a letter to TDS Board of Directors, c/o Corporate Secretary, TDS, 30 N. LaSalle Street, Suite 4000, Chicago, IL 60602.

Governance Documents

Governance documents, such as the Corporate Governance Guidelines, the Board Committee Charters, the Officer & Director Code of Conduct can be found in the Corporate Governance section of investors.tdsinc.com.

These documents are also available at no cost by writing the Corporate Secretary, TDS, 30 N. LaSalle Street, Suite 4000, Chicago, IL 60602.

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NOTICE OF 2015 ANNUAL MEETING OF SHAREHOLDERS AND 2015 PROXY STATEMENT

TO THE SHAREHOLDERS OF

TELEPHONE AND DATA SYSTEMS, INC.

The 2015 annual meeting of shareholders ("2015 Annual Meeting") of Telephone and Data Systems, Inc., a Delaware corporation, will be held at City Center West Conference Center, 525 Junction Road, Madison, Wisconsin, on Thursday, May 21, 2015, at 8:00 a.m., central time, for the following purposes:

1. To elect members of the board of directors. Your board of directors unanimously recommends that you vote **FOR** the directors nominated by the TDS board of directors.
2. To consider and ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accountants for the year ending December 31, 2015. Your board of directors unanimously recommends that you vote **FOR** this proposal.
3. To approve, on an advisory basis, the compensation of our named executive officers as disclosed herein (commonly known as "Say-on-Pay"). Your board of directors unanimously recommends that you vote **FOR** the Say-on-Pay proposal.
4. To transact such other business as may properly be brought before the meeting or any postponement, adjournment or recess thereof by or at the direction of the TDS board of directors.

We have fixed the close of business on March 30, 2015, as the record date for the determination of shareholders entitled to notice of, and to vote at, the 2015 Annual Meeting or any adjournments thereof.

We are first sending this Notice of 2015 Annual Meeting of Shareholders and 2015 Proxy Statement ("2015 Proxy Statement"), together with our 2014 Annual Report to shareholders ("2014 Annual Report"), on or about April [], 2015.

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**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS
FOR THE SHAREHOLDER MEETING TO BE HELD ON MAY 21, 2015**

The following information about the Internet availability of proxy materials is being provided under Rule 14a-16 of the Securities and Exchange Commission ("SEC"):

Effective as of April [], 2015, the following documents are available at www.tdsinc.com under Investor Relations Proxy Vote, or at [\[investors.tdsinc.com/proxyvote\]](http://investors.tdsinc.com/proxyvote):

1. 2015 Proxy Statement
2. 2014 Annual Report
3. Forms of **WHITE** Proxy Cards

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.

Any control/identification numbers that you need to vote are set forth on your **WHITE** proxy card(s) if you are a record holder, or on your voting instruction card if you hold shares through a broker, dealer or bank.

The location where the 2015 Annual Meeting will be held is City Center West Conference Center, 525 Junction Road, Madison, Wisconsin 53717. Junction Road is approximately three blocks west of the Old Sauk Road exit of the West Beltline Highway (U.S. Route 12/14) going through Madison, and 525 Junction Road is approximately two blocks south of Old Sauk Road. The West Beltline Highway has exits for Old Sauk Road going in either direction. For information about this location and a map see the following website: [\[investors.tdsinc.com/proxyvote\]](http://investors.tdsinc.com/proxyvote).

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2015 PROXY STATEMENT
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QUESTIONS AND ANSWERS

The following are questions and answers related to the actions being taken at the 2015 Annual Meeting and do not include all of the information that may be important to you. You should carefully read this entire 2015 Proxy Statement and not rely solely on the following questions and answers.

Proposal 1 Election of Directors

Under TDS' Restated Certificate of Incorporation, as amended, the terms of all incumbent directors will expire at the 2015 Annual Meeting.

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

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

None of the nominees have been nominated pursuant to any agreement or other arrangement. Clarence A. Davis and Gary L. Sugarman were initially nominated for election as directors in 2009 pursuant to a Settlement Agreement, which we refer to as the "Settlement Agreement," between TDS and GAMCO Asset Management, Inc. which we refer to, together with its affiliates, as "GAMCO," but the obligations thereunder expired in 2010. Nevertheless, the TDS board of directors has continued to nominate Clarence A. Davis and Gary L. Sugarman as directors of TDS at subsequent annual meetings, including at the 2015 Annual Meeting, as discussed below.

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

See "Background of Recent Events" below.

Proposal 2 Ratification of Independent Registered Public Accounting Firm for 2015

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

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

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

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

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

What is the record date for the meeting?

The close of business on March 30, 2015 is the record date for the determination of shareholders entitled to notice of, and to vote at, the 2015 Annual Meeting or any postponement, adjournment or recess thereof.

A complete list of shareholders entitled to vote at the 2015 Annual Meeting, arranged in alphabetical order and by voting group, showing the address of and number of shares held by each shareholder, will be made available at the offices of TDS, 30 North LaSalle Street, 40th Floor, Chicago, Illinois 60602, for

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examination by any shareholder, for any purpose germane to the 2015 Annual Meeting, during normal business hours, for a period of at least ten days prior to the 2015 Annual Meeting.

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

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

Common Shares;

Series A Common Shares; and

Preferred Shares.

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

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

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

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

The following shows information relating to the outstanding shares and voting power of such shares in the election of directors as of February 28, 2015:

<i>Class of Stock</i>	<i>Outstanding Shares</i>	<i>Votes per Share</i>	<i>Voting Power</i>	<i>Total Number of Directors Elected by Voting Group and Standing for Election</i>
Series A Common Shares	7,178,943	10	71,789,430	
Preferred Shares	8,240	1	8,240	
Subtotal			71,797,670	8
Common Shares	100,734,394	1	100,734,394	4
Total Directors				12

Accordingly, holders of Series A Common Shares and Preferred Shares, voting as a group, will be entitled to elect eight directors and holders of Common Shares will be entitled to elect four directors.

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Director Voting Sunset Provision. As noted above, holders of Series A Common Shares and Preferred Shares, on the one hand, and holders of Common Shares, on the other hand, currently vote separately in the election of directors. However, pursuant to the Restated Charter (as defined below), if the number of Series A Common Shares issued and outstanding at any time falls below 500,000, because of the conversion of Series A Common Shares into Common Shares or otherwise, the holders of Series A Common Shares would lose the right to vote as a separate class (together with the holders of any outstanding Preferred Shares which have voting rights), and thereafter the holders of Series A Common Shares, with ten votes per share, and the holders of Common Shares, with one vote per share, (together with the holders of any outstanding Preferred Shares which have voting rights), would vote as a single class in the election of all directors.

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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 February 28, 2015:

<i>Class of Stock</i>	<i>Outstanding Shares</i>	<i>Votes per Share</i>	<i>Total Voting Power</i>	<i>Percent</i>
Series A Common Shares	7,178,943	10	71,789,430	56.7%
Common Shares	100,734,394	0.543888	54,788,193	43.3%
Preferred Shares	8,240	1	8,240	*
			126,585,863	100.0%

*

Less than .1%

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

Based on shares outstanding on February 28, 2015, the per share voting power of the Common Shares for the 2015 Annual Meeting is 0.543888 votes per share, calculated pursuant to Section B.9 of Article IV of the Restated Charter. See the Restated Charter which explains how the relative voting percentages are calculated.

Voting Power Sunset Provision. As noted above, the aggregate voting power of Series A Common Shares in matters other than the election of directors can be adjusted, but cannot increase above approximately 56.7%. However, this percentage could decrease. For instance, this could occur if holders of Series A Common Shares convert such shares into Common Shares in order to be able to sell such shares on the NYSE. 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 with respect to the election of directors in Proposal 1?

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

vote FOR the election of such director nominees, or

WITHHOLD authority to vote for such director nominees.

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

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

Shareholders may, with respect to Proposal 2:

vote FOR,

vote AGAINST, or

ABSTAIN from voting on this proposal.

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

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

Shareholders may, with respect to Proposal 3:

vote FOR,

vote AGAINST, or

ABSTAIN from voting on this proposal.

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

How does the TDS Voting Trust intend to vote?

The Voting Trust under Agreement dated June 30, 1989, as amended (the "TDS Voting Trust"), held 6,801,013 Series A Common Shares on February 28, 2015, representing approximately 94.7% of the Series A Common Shares. By reason of such holding, the TDS Voting Trust has the voting power to elect all of the directors to be elected by the holders of Series A Common Shares and Preferred Shares and has approximately 53.7% of the voting power with respect to matters other than the election of directors. The TDS Voting Trust also held 6,134,003 Common Shares on February 28, 2015, representing approximately 6.1% of the Common Shares. By reason of such holding, the TDS Voting Trust has approximately 6.1% of the voting power with respect to the election of directors elected by the holders of Common Shares and an additional 2.6% of the voting power in matters other than the election of directors. Accordingly, the TDS Voting Trust has an aggregate of 56.3% of the voting power in matters other than the election of directors. The TDS Voting Trust does not currently own Preferred Shares.

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

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

FOR the proposal to ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2015, and

FOR the Say-on-Pay proposal.

How do I vote?

Proxies are being requested from the holders of Common Shares in connection with the election of four directors in Proposal 1 and in connection with Proposals 2 and 3.

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

Whether or not you intend to be present at the meeting, please sign, date and mail your WHITE proxy card(s) in the enclosed business reply envelope to Corporate Election Services, Inc., PO Box 3230, Pittsburgh, PA 15230-0125, or vote by phone or the Internet.

How will proxies be voted?

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

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

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 the 2015 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.

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

The board of directors has no knowledge of any other proposals that may be properly presented at the 2015 Annual Meeting and no other proposals were received by TDS by the date specified by the advance notice provision in TDS' Bylaws. As permitted by SEC rules, the proxy solicited by the board of directors for the 2015 Annual Meeting confers discretionary authority to the proxies named therein to vote on any matter that may properly come before such meeting or any postponement, adjournment or recess thereof, in addition to the foregoing proposals, to the extent permitted by applicable law and regulation.

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

If you are the beneficial owner of shares held in "street name" by a broker, bank, or other nominee ("broker"), such broker, as the record holder of the shares, is required to vote those shares in accordance with your instructions.

If GAMCO solicits proxies for the election of directors, under Rule 452 of the NYSE, your broker will not have "discretionary" authority to vote your shares with respect to *any* of the proposals. In such event, your broker will only be able to vote your shares if you provide your broker with instructions on how to vote such shares. It is expected that GAMCO will solicit proxies for the election of two candidates for election as directors. See Background of Recent Events below.

In the event that there are no contested matters at the meeting, 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, votes on Say-on-Pay, the approval of an equity compensation plan, and shareholder proposals are non-discretionary items. In such cases, if your broker does not have specific or standing instructions, your shares will be treated as non-votes and may not be voted on such matters.

Accordingly, we urge you to provide instructions to your broker so that your votes may be counted on all matters. If your shares are held in street name, your broker will include a voting instruction card with this 2015 Proxy Statement. We strongly encourage you to vote your shares by following the instructions provided on the voting instruction card. Please return your voting instruction card to your broker and/or contact your broker to ensure that a proxy card is voted on your behalf.

What constitutes a quorum for the meeting?

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

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In the election of directors, where a separate vote by a class or voting group is required, the holders of a majority of the votes of the stock of such class or group issued and outstanding and entitled to vote with respect to such director election, present in person or represented by proxy, will constitute a quorum with respect to such election. Withheld votes by shares entitled to vote with respect to a director election and non-votes with respect to such director election will be treated as present in person or represented by proxy for purposes of establishing a quorum for such director election. If Series A Common Shares beneficially owned by the TDS Voting Trust are present in person or represented by proxy at the 2015 Annual Meeting, such shares will constitute a quorum at the 2015 Annual Meeting in connection with the election of directors by the holders of Series A Common Shares and Preferred Shares. If a quorum of the holders of Common Shares is not present at the time the 2015 Annual Meeting is convened, the chairman of the meeting or holders of a majority of the voting power in matters other than the election of directors represented in person or by proxy may adjourn the 2015 Annual Meeting with respect to all proposals or only with respect to the election of directors by the holders of Common Shares.

With respect to Proposals 2 and 3, the holders of a majority of the votes of the stock issued and outstanding and entitled to vote with respect to such proposals, present in person or represented by proxy, will constitute a quorum at the 2015 Annual Meeting in connection with such proposals. Abstentions from voting on such proposals by shares entitled to vote on such proposals and any non-votes with respect to such proposals will be treated as present in person or represented by proxy for purposes of establishing a quorum for such proposals. If TDS shares beneficially owned by the TDS Voting Trust are present in person or represented by proxy at the 2015 Annual Meeting, such shares will constitute a quorum at the 2015 Annual Meeting in connection with such proposals.

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

What vote is required to elect directors in Proposal 1?

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

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

Accordingly, if a quorum exists, the persons receiving a plurality of the votes cast by shareholders entitled to vote with respect to the election of such directors will be elected to serve as directors. Withheld votes and any non-votes with respect to the election of such directors will not be counted as votes cast for the purpose of determining if a director has received a plurality of the votes.

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

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

The holders of Common Shares, Preferred Shares and Series A Common Shares will vote together as a single group with respect to Proposals 2 and 3. Based on shares outstanding on February 28,

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2015, each holder of outstanding Common Shares was entitled to 0.543888 vote for each Common Share held in such holder's name. Each holder of outstanding Series A Common Shares is entitled to ten votes for each Series A Common Share held in such holder's name. Each holder of outstanding Preferred Shares is entitled to one vote for each Preferred Share held in such holder's name.

If a quorum is present at the 2015 Annual Meeting, the approval of Proposals 2 and 3 will require the affirmative vote of the holders of stock having a majority of the votes which could be cast by the holders of all stock entitled to vote on such question which are present in person or represented by proxy at the meeting. Abstentions by shares entitled to vote on such proposals will be treated as votes which could be cast that are present for such purposes and, accordingly, will effectively count as a vote cast against such proposal. Any non-votes with respect to such proposals will not be included in the total of votes which could be cast which are present for purposes of determining whether such proposals are approved, even though they may be included for purposes of determining a quorum.

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

If you hold multiple series of shares, or hold shares in multiple registrations, you will receive a **WHITE** proxy card for each such account. Please sign, date, and return all **WHITE** proxy cards you receive as described above. If you choose to vote by phone or Internet, please vote each **WHITE** proxy card you receive. Only your latest dated proxy for each account will be voted at the 2015 Annual Meeting.

As noted above, TDS has received a notice from GAMCO that GAMCO intends to nominate two candidates for election by the holders of Common Shares, and you may receive proxy cards from both TDS and GAMCO. Because only the latest dated proxy card for each holding is counted for the election, we may conduct multiple mailings prior to the date of the 2015 Annual Meeting. Therefore, whether or not your initial proxy cards are voted, you may receive more than one **WHITE** proxy card from TDS for each account or registration. This will also ensure that you receive management's latest proxy information and materials prior to the 2015 Annual Meeting.

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

Can I change my vote or revoke my proxy?

Yes. You can change your vote or revoke your proxy at any time before it is voted at the 2015 Annual Meeting by voting a later-dated proxy or by voting by ballot at the meeting.

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

Only the latest dated proxy card you vote will be counted for election purposes.

Who pays the solicitation expenses for this 2015 Proxy Statement and related TDS materials?

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

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TDS expects to pay MacKenzie Partners, Inc. a fee of approximately \$350,000 relating to the solicitation of proxies for the contested election of directors in 2015. It is anticipated that MacKenzie Partners, Inc. will employ approximately 60 persons to solicit proxies for the 2015 Annual Meeting. Our expenses related to the solicitation, including expenditures for printing, legal, accounting, public relations, soliciting, advertising and related expenses, including the above fees of MacKenzie Partners, Inc. in excess of those normally spent for an annual meeting with an uncontested director election and excluding salaries and wages of our regular employees and officers, are currently expected to be approximately \$725,000, of which approximately \$130,000 has been spent to date.

Due to the notice from GAMCO, Schedules are attached to this 2015 Proxy Statement with certain information required by the SEC's proxy rules, which Schedules are incorporated by reference herein. Schedule I includes certain information about the directors and certain officers and employees of TDS who may solicit proxies and Schedule II sets forth certain additional information with respect to such persons.

Who should I call if I have any questions?

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

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BACKGROUND OF RECENT EVENTS

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

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

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

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

GAMCO nominated Philip T. Blazek and Walter M. Schenker for election as a director by the holders of Common Shares at the 2014 annual meeting. In 2014, the TDS Corporate Governance and Nominating Committee and the TDS board of directors considered the background, experience and qualifications of Mr. Blazek and Mr. Schenker based upon the information provided and available to them. This included information provided by GAMCO in its notice to TDS, information provided by Mr. Blazek and Mr. Schenker in questionnaires, and information provided by a background check of Mr. Blazek and Mr. Schenker. In 2014, the TDS Corporate Governance and Nominating Committee requested Mr. Blazek and Mr. Schenker to participate in an interview with certain members of the TDS board of directors, but GAMCO objected to Mr. Blazek or Mr. Schenker being interviewed in 2014. As a result, the TDS Corporate Governance and Nominating Committee and the TDS board of directors considered the background, experience and qualifications of Mr. Blazek and Mr. Schenker based on the information that was available to them compared to the background, experience and qualifications of the TDS directors who were then serving as directors elected by the holders of Common Shares (the "2014 TDS Candidates"). Based on this evaluation, the TDS Corporate Governance and Nominating Committee and the TDS board of directors believed that the GAMCO candidates had substantially less experience and qualifications compared to each of the four TDS Board nominees in connection with the 2014 nominations. In addition, the TDS Corporate Governance and Nominating Committee and the board of directors noted a settlement between Mr. Schenker and the SEC in connection with unregistered securities offerings, as described below. Accordingly, in 2014, the TDS Corporate Governance and Nominating Committee recommended that the TDS board of directors nominate the 2014 TDS Candidates for election as directors by the holders of Common Shares and, based on this recommendation the TDS board of directors nominated the 2014 TDS Candidates for election as directors by the holders of Common Shares at the 2014 annual meeting. At the 2014 annual meeting of shareholders, the 2014 TDS Candidates were elected as directors and neither Mr. Blazek nor Mr. Schenker received sufficient votes to be elected as a director.

On November 26, 2014, GAMCO filed an amendment to its Schedule 13D with respect to TDS Common Shares in which it stated: "In light of the upcoming deadlines to submit shareholder proposals and director nominations for consideration at the Issuer's 2015 Annual Meeting of Shareholders, GAMCO, on behalf of its investment advisory clients, is currently evaluating all options available to it."

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On February 5, 2015, representatives of TDS, LeRoy T. Carlson, Jr., President and CEO, Jane W. McCahon, Vice President Corporate Relations and Corporate Secretary, and Peter L. Sereda, Senior Vice President Finance and Treasurer, attended a previously scheduled meeting with Mario Gabelli, Chairman and CEO of GAMCO, to discuss matters relating to the business of TDS and its subsidiaries.

On February 19, 2015, GAMCO sent a notice to TDS and filed an amendment to its Schedule 13D with respect to TDS Common Shares disclosing its intention to nominate each of Philip T. Blazek and Walter M. Schenker, who we refer to as the "GAMCO Candidates," for election as a director at the 2015 Annual Meeting by the holders of Common Shares.

On February 20, 2015, Jane W. McCahon requested the GAMCO Candidates to provide a consent to a background check and to complete a Director Candidate Questionnaire and both such candidates complied with this request.

In addition, on February 20, 2015, Ms. McCahon requested each of the candidates to participate in an interview requested by the TDS Corporate Governance and Nominating Committee (the members of which are Walter C.D. Carlson (chairman), LeRoy T. Carlson, Jr. and Mitchell H. Saranow). Because Mr. Saranow is elected by the holders of Common Shares and may be running for election against the GAMCO Candidates, the Committee determined that the interviews would be conducted by Walter C.D. Carlson, LeRoy T. Carlson, Jr., and Herbert S. Wander, an independent director. Each of such directors is elected by the holders of Series A Common Shares and, accordingly, would not be running for election against the GAMCO Candidates.

Accordingly, on March 6, 2015, Walter C.D. Carlson, LeRoy T. Carlson, Jr. and Herbert S. Wander held calls with each of Philip T. Blazek and Walter M. Schenker to interview them. On these calls, the GAMCO Candidates were asked questions about their background, experience and qualifications for serving as directors of TDS and other matters.

The TDS Corporate Governance and Nominating Committee and the board of directors do not believe that any additional or updated information that they received on the background, experience and qualifications of the GAMCO Candidates since the 2014 annual meeting of shareholders provided any reason for them to change their views of the relative strengths of the background, experience and qualifications of the GAMCO Candidates.

On March 9, 2015, the TDS Corporate Governance and Nominating Committee met and discussed the background, experience and qualifications of the GAMCO Candidates as well as of the persons currently serving as directors. Based on this, the TDS Corporate Governance and Nominating Committee determined to recommend that Clarence A. Davis, George W. Off, Mitchell H. Saranow and Gary L. Sugarman (currently incumbent directors who were elected by the holders of Common Shares at the 2014 annual meeting), be nominated for election as directors by the holders of Common Shares at the 2015 Annual Meeting (except that Mr. Saranow abstained with respect to his nomination).

Based on the foregoing considerations, on March 11, 2015, the TDS Corporate Governance and Nominating Committee unanimously recommended that the TDS board of directors nominate Messrs. Davis, Off, Saranow and Sugarman for election as directors by the holders of Common Shares (except that Mr. Saranow abstained with respect to his recommendation). Based on the recommendation of the TDS Corporate Governance and Nominating Committee and the foregoing considerations, on March 11, 2015, the TDS board of directors nominated Messrs. Davis, Off, Saranow and Sugarman for election as directors by the holders of Common Shares at the 2015 Annual Meeting.

The following describes what the TDS Corporate Governance and Nominating Committee and the board of directors believe are the relative strengths of the four TDS Board nominees compared to the GAMCO Candidates.

The background and experience of the TDS Board nominees are believed to be more significant and more relevant to TDS, and broader, than the background and experience of the GAMCO Candidates. The following summarizes certain of the background and experience of the TDS Board nominees, which are more fully described below under "Election of Directors."

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Clarence A. Davis. Mr. Davis has significant business and accounting experience. In addition to being a director of TDS since 2009, he is a director of two GAMCO investment funds, one of which is listed on the NYSE, was a director and CEO of Nestor, Inc. (formerly NASDAQ: NEST), and was a director of Sonesta International Hotels (formerly NASDAQ: SNSTA) and Pennichuck Corp. (formerly NASDAQ: PNNW). He was the former CFO and COO of the American Institute of Certified Public Accountants. He has substantial audit committee experience, including on the TDS Audit Committee as a designated audit committee financial expert.

George W. Off. Mr. Off has significant business and executive management experience as the former CEO of retail marketing and technology companies. In addition to being a director of TDS since 1997, he has been a director and CEO of Checkpoint Systems, Inc. (NYSE: CKP) and Catalina Marketing Corporation, which at the time was a NYSE listed company (formerly NYSE: POS). He has substantial board experience, and has been the chairperson of the TDS Audit Committee and served as a member of the TDS Compensation Committee for many years.

Mitchell H. Saranow. Mr. Saranow is a certified public accountant and has been a lawyer, investment banker and a CFO, CEO and/or Chairman at several companies. In addition to being a director of TDS since 2004, Mr. Saranow has been an officer and/or director of Navigant Consulting, Inc. (NYSE: NCI), Lawson Products, Inc. (NASDAQ: LAWS), North American Scientific, Inc. (formerly NASDAQ: NASM) and Telular Corp. (formerly NASDAQ: WRLS). Mr. Saranow also has founded, co-founded or acquired, developed and sold several ventures. He worked as an investment banker specializing in financing cable television companies. As a result, he has significant experience with public companies and their boards of directors, as well as a background in accounting, finance, law and business development. He has been a member of the audit committees of several public companies and was designated an audit committee financial expert by two of such companies, including TDS.

Gary L. Sugarman. Mr. Sugarman has significant management experience in communications companies and is experienced in telecom mergers and acquisitions. In addition to being a director of TDS since 2009, Mr. Sugarman is a director of Otelco, Inc. (NASDAQ: OTEL) and LICT Corporation (OTC: LICT). He has held various operating positions, including Director of Business Development, at Rochester Telephone Company (now known as Frontier Corporation (NYSE: FTR)). He has financial expertise as the founder and managing member of Richfield Capital Partners. He is also a member of the TDS Compensation Committee.

In comparison, the following are excerpts about the background and experience of the GAMCO Candidates from GAMCO's notice to TDS dated February 19, 2015:

Philip T. Blazek. "Since 2013, he serves as President of Special Diversified Opportunities Inc. (OTC Markets: SDOI), leading the company through the sale of its operating assets and strategic alternatives to deploy the proceeds. In 2012, he was Managing Director at Korenvaes Management, a debt and equity investment fund. From 2008 through 2011, Mr. Blazek was President and Chief Investment Officer of Blazek Crow Holdings Capital, an equity small cap value investment fund he founded with the Crow Holdings Family Office. From 2005 to 2008, he was a Partner at Greenway Capital, investing and providing growth capital to small cap companies. His investment banking advisory tenure included Dresdner Kleinwort Wasserstein (formerly Wasserstein Perella) from 1996 to 2004 and the Investment Banking Division (Telecom/Media/Technology Group) of Goldman Sachs from 1991 to 1994."

Walter M. Schenker. "Mr. Schenker has worked in the investment business for over 40 years. He worked for a number of leading brokerage/investment banks as well as money management firms. In 1999, he was one of the founders of Titan Capital Management, a registered investment advisor and hedge fund. In June 2010, after the retirement of Mr. Schenker's partner, he founded MAZ Capital Advisors where he is self-employed. Since the mid-1970's Mr. Schenker has followed the automotive parts industry and in the 1970's and 1980's published significant research on the industry and was quoted in major publications. Mr. Schenker has worked with public and private companies to advise and assist with raising capital. Mr. Schenker has been the lead plaintiff in securities class actions, and is knowledgeable on corporate governance issues. Mr. Schenker has

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served as a director of Sevcon, Inc. (NasdaqCM: SEV) since December 2013, where he also serves as Chairman of its board's compensation committee."

Each of the four TDS Board nominees has experience as a director of TDS ranging from about 6 to 18 years. TDS is identified as number 504 in the list of Fortune 1000 companies and is considerably larger than any company of which Mr. Blazek or Mr. Schenker has served as a director and/or officer. In addition, the TDS Board nominees have various other public company board experience as noted above. In comparison, it is believed that the GAMCO Candidates have much more limited public company experience.

Each of the four TDS Board nominees has experience with the businesses in which TDS is engaged (wireline, wireless, cable and hosted & managed services) as a result of having served as a TDS director from a range of about 6 to 18 years. In addition, Gary L. Sugarman has substantial other experience with other communications companies, as noted above. It is believed that neither of the GAMCO Candidates has any experience as a director or officer of a company that has businesses similar in nature to any of the TDS businesses or any other comparable experience with such businesses. Philip T. Blazek has some recent experience since 2013 as the president of a small public company (less than \$50 million in market cap), but he is not believed to be a director. Walter M. Schenker has some recent experience since December 2013 as a director of a small public company (less than \$50 million in market cap) as a result of a nomination by GAMCO, but he is not believed to be an officer.

Accordingly, the TDS Corporate Governance and Nominating Committee and the board of directors believe that the GAMCO Candidates have substantially less experience and qualifications compared to each of the four TDS Board nominees.

In addition, the TDS Corporate Governance and Nominating Committee and the board of directors noted the following background information with respect to Mr. Schenker. The GAMCO notice delivered to TDS on February 19, 2015 stated that "In 2007, TCMP3 Partners, L.P., its general partner TCMP3 Capital LLC, its investment manager Titan Capital Management, LLC, and portfolio managers Steven E. Slawson and Walter M. Schenker, agreed to a settlement with the SEC in connection with unregistered securities offerings, which are commonly referred to as "PIPEs" (Private Investment in Public Entity). The settlement was reached without admitting or denying the allegations of the complaint."

Each of the participants in the solicitation of proxies on behalf of the TDS board of director has a substantial interest in the election of directors at the 2015 Annual Meeting as an incumbent director, director nominee, officer and/or employee of TDS engaged in the solicitation of proxies. See the Schedules attached hereto for more information with respect to the interests of such participants.

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

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

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

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

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

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PROPOSAL 1
ELECTION OF DIRECTORS

The terms of all incumbent directors will expire at the 2015 Annual Meeting. The board of directors' nominees for election of directors are identified in the tables below. Each of the nominees has consented to be named in the 2015 Proxy Statement and consented to serve if elected. The age of the following persons is as of the date of this 2015 Proxy Statement.

To be Elected by Holders of Common Shares

<i>Name</i>	<i>Age</i>	<i>Position with TDS and Principal Occupation</i>	<i>Served as Director since</i>
Clarence A. Davis	73	Director of TDS and Business Consultant	2009
George W. Off	68	Director of TDS, Private Investor and retired Director and Chairman of Checkpoint Systems, Inc.	1997
Mitchell H. Saranow	69	Director of TDS and Chairman of The Saranow Group, L.L.C.	2004
Gary L. Sugarman	62	Director of TDS, Managing Member Richfield Capital Partners and Principal of Richfield Associates, Inc.	2009

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

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

<i>Name</i>	<i>Age</i>	<i>Position with TDS and Principal Occupation</i>	<i>Served as Director since</i>
LeRoy T. Carlson, Jr.	68	Director and President and Chief Executive Officer of TDS	1968
Letitia G. Carlson, M.D.	54	Director of TDS and Physician and Associate Clinical Professor at George Washington University Medical Center	1996
Prudence E. Carlson	63	Director of TDS and Private Investor	2008
Walter C.D. Carlson	61	Director and non-executive Chairman of the Board of TDS and Partner, Sidley Austin LLP, Chicago, Illinois	1981
Kenneth R. Meyers	61	Director of TDS and President and Chief Executive Officer of U.S. Cellular (a deemed executive officer of TDS)	2007
Christopher D. O'Leary	55	Director of TDS and Executive Vice President, Chief Operating Officer International of General Mills, Inc.	2006
Herbert S. Wander	80	Director of TDS and Of Counsel, Katten Muchin Rosenman LLP, Chicago, Illinois	1968
David A. Wittwer	54	Director of TDS and President and Chief Executive Officer of TDS Telecommunications Corporation (a deemed executive officer of TDS)	August 2014

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Your board of directors unanimously recommends a vote "FOR" the election of each of the above nominees for election by the holders of Series A Common Shares on the enclosed WHITE proxy card(s).

Background of Board of Directors' Nominees

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

In addition, the following also briefly discusses the specific experience, qualifications, attributes or skills that led to the conclusion that each such person should serve as a director of TDS, in light of TDS' business and structure, including information about the person's particular areas of expertise or other relevant qualifications. Except as discussed below under "Director Nomination Process", TDS does not have any specific, minimum qualifications that the board believes must be met by a nominee for a position on the TDS board of directors, or any specific qualities or skills that the board believes are necessary for one or more of the TDS directors to possess. The TDS board believes that substantial judgment, diligence and care are required to identify and select qualified persons as directors. The TDS board has consistently sought to nominate to the board of directors eminently qualified individuals whom the board believes would provide substantial benefit and guidance to TDS. Also, as discussed below under "Director Nomination Process", TDS believes that it is desirable for directors to have diverse backgrounds, experience, skills and other characteristics. In addition, the conclusion of which persons should serve as directors of TDS is based in part on the fact that TDS is a controlled company with a capital structure in which different classes of stock vote for different directorships. In particular, as discussed under "Director Nomination Process", because the TDS Voting Trust has over 90% of the voting power in the election of directors elected by holders of Series A Common Shares and Preferred Shares, nominations of directors for election by the holders of Series A Common Shares and Preferred Shares are based on the recommendation of the trustees of the TDS Voting Trust.

Nominees for Election by Holders of Common Shares

Clarence A. Davis. Clarence A. Davis is currently a director who was last elected by the holders of Common Shares at the 2014 annual meeting. He initially was nominated to the TDS board of directors pursuant to a Settlement Agreement with GAMCO relating to a proxy contest in 2009 as indicated above. Although TDS initially nominated Mr. Davis to the TDS board of directors in 2009 as part of such settlement, after observing the performance and contributions of Mr. Davis on the TDS board of directors since that time, the TDS board of directors has re-nominated Mr. Davis to the TDS board of directors each year since 2010. The following provides information on the background of Mr. Davis, including the specific factors that led to the conclusion that he should serve as a director of TDS:

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

Mr. Davis is currently a business consultant.

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

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

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

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

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

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

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

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

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

Since 2011, Mr. Davis has been a director and Chairman of Bizequity.com, a private company and website that provides capital, knowledge and talent for emerging growth companies.

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

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

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

George W. Off. George W. Off is currently a director who was last elected by the holders of Common Shares at the 2014 annual meeting. Mr. Off was initially nominated as a director based on a search conducted by TDS' executive search firm. The following provides information on the background of Mr. Off, including the specific factors that led to the conclusion that he should serve as a director of TDS:

Mr. Off has significant experience with TDS and its subsidiaries and the industries in which they operate as a director of TDS since 1997. He has also been a member of the TDS Compensation Committee (including its predecessor committee) since 1997 and a member and chairperson of the TDS Audit Committee since 1997.

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

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

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

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

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

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

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

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

Mitchell H. Saranow. Mitchell H. Saranow is currently a director who was last elected by the holders of Common Shares at the 2014 annual meeting. The following provides information on the background of Mr. Saranow, including the specific factors that led to the conclusion that he should serve as a director of TDS:

Mr. Saranow has significant experience with TDS and its subsidiaries and the industries in which they operate as a director of TDS since 2004. He has also been a member of the TDS Audit Committee and designated an "audit committee financial expert" on that committee since 2004. He has also been a member of the TDS Corporate Governance and Nominating Committee since 2007.

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

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

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

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

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Earlier in his career, Mr. Saranow was vice president and chief financial officer of CFS Continental, Inc. (formerly OTC: CFS), the nation's second largest food service distribution company, vice president of finance and law of Sunmark Companies, a privately-held snack food manufacturer, a venture capital officer at Warburg, Paribus, Becker, Inc., specializing in financing cable television companies, and an attorney with Mayer, Brown and Platt in Chicago, Illinois.

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

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

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

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

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

Gary L. Sugarman. Gary L. Sugarman is currently a director who was last elected by the holders of Common Shares at the 2014 annual meeting. He initially was nominated to the TDS board of directors pursuant to a Settlement Agreement with GAMCO relating to a proxy contest in 2009 as indicated above. Although TDS initially nominated Mr. Sugarman to the TDS board of directors in 2009 as part of such settlement, after observing the performance and contributions of Mr. Sugarman on the TDS board of directors since that time, the TDS board of directors has re-nominated Mr. Sugarman to the TDS board of directors each year since 2010. The following provides information on the background of Mr. Sugarman, including the specific factors that led to the conclusion that he should serve as a director of TDS:

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

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

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

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

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

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

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

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

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

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

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

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

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

LeRoy T. Carlson, Jr. LeRoy T. Carlson, Jr. is currently a director who was last elected by the holders of Series A Common Shares and Preferred Shares at the 2014 annual meeting. The following provides information on the background of Mr. Carlson, including the specific factors that led to the conclusion that he should serve as a director of TDS:

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

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

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LeRoy T. Carlson, Jr. has been a director of United States Cellular Corporation (NYSE: USM), a subsidiary of TDS which operates and invests in wireless telephone companies and properties ("U.S. Cellular"), since 1984, and has been its Chairman (an executive officer) since 1989. He has also been a director of TDS Telecommunications Corporation, a wholly owned subsidiary of TDS which operates TDS' Wireline, HMS and Cable segments ("TDS Telecom"), and its Chairman (an executive officer) since 1990.

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

Mr. Carlson has an MBA from Harvard University.

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

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

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

Letitia G. Carlson, M.D. Letitia G. Carlson, M.D. is currently a director who was last elected by the holders of Series A Common Shares and Preferred Shares at the 2014 annual meeting. The following provides information on the background of Dr. Carlson, including the specific factors that led to the conclusion that she should serve as a director of TDS:

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

Dr. Carlson has been a physician at George Washington University Medical Center since 1990.

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

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

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

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

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

Prudence E. Carlson. Prudence E. Carlson is currently a director who was last elected by the holders of Series A Common Shares and Preferred Shares at the 2014 annual meeting. She was initially elected as a director based on the recommendation of the trustees of the TDS Voting Trust, which holds

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over 90% of the Series A Common Shares. The following provides information on the background of Ms. Carlson, including the specific factors that led to the conclusion that she should serve as a director of TDS:

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

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

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

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

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

Walter C.D. Carlson. Walter C.D. Carlson is currently a director who was last elected by the holders of Series A Common Shares and Preferred Shares at the 2014 annual meeting. The following provides information on the background of Mr. Carlson, including the specific factors that led to the conclusion that he should serve as a director of TDS:

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

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

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

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

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

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

Mr. Carlson brings to the TDS board of directors substantial experience, expertise and qualifications with respect to TDS and its subsidiaries and the industries in which they operate as a result of his many years as an investor in TDS, as a trustee of the TDS Voting Trust, as a director of TDS and U.S. Cellular, as Chairman of the Board of TDS, and as a result of having represented many public and private corporate clients. In addition, as a shareholder with a significant economic stake in TDS, Mr. Carlson

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provides to the TDS board of directors the perspective of shareholders in managing and operating TDS in the long-term interests of shareholders. He also has experience as a member and the chairperson of the TDS Corporate Governance and Nominating Committee since 2004.

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

Kenneth R. Meyers. Kenneth R. Meyers is currently a director who was last elected by the holders of Series A Common Shares and Preferred Shares at the 2014 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 TDS:

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

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, and also had been Vice President and Assistant Treasurer (an executive officer) of U.S. Cellular between 2011 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 2007, he was the Executive Vice President Finance, Chief Financial Officer and Treasurer of U.S. Cellular since 1999. Prior to that, Mr. Meyers was Senior Vice President-Finance (Chief Financial Officer) and Treasurer of U.S. Cellular from 1997 to 1999 and was the Vice President-Finance (Chief Financial Officer) and Treasurer of U.S. Cellular for more than five years prior to 1997. Mr. Meyers had been employed by U.S. Cellular in accounting and financial capacities since 1987.

Mr. Meyers has also been a director of U.S. Cellular since 1999 and a director of TDS Telecom between 2007 and 2014.

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

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

Christopher D. O'Leary. Christopher D. O'Leary is currently a director who was last elected by the holders of Series A Common Shares and Preferred Shares at the 2014 annual meeting. He was initially nominated as a director based on a search conducted by TDS' executive search firm. The following provides information on the background of Mr. O'Leary, including the specific factors that led to the conclusion that he should serve as a director of TDS:

Mr. O'Leary has significant experience with TDS and its subsidiaries and the industries in which they operate as a director of TDS since 2006. He has also been a member of the TDS Compensation Committee since 2007.

In 2006, Christopher D. O'Leary was appointed executive vice president, chief operating officer international of General Mills, Inc. (NYSE: GIS), which manufactures and markets branded consumer foods on a worldwide basis. In this capacity, he oversees over 14,000 employees in over 100 countries.

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Before that, he was a senior vice president of General Mills since 1999. In addition, he was the president of the General Mills Meals division between 2001 and 2006 and was the president of the Betty Crocker division between 1999 and 2001. Mr. O'Leary joined General Mills in 1997.

Prior to his employment with General Mills, Mr. O'Leary was employed with PepsiCo (NYSE: PEP), which manufactures, markets, and sells various snacks, beverages and foods on a worldwide basis, between 1980 and 1997. His assignments included leadership roles for the Walkers-Smiths business in the United Kingdom and the Hostess Frito-Lay business in Canada.

In November 2014, Mr. O'Leary was appointed to the board of directors of Newell Rubbermaid Inc. (NYSE: NWL), a worldwide marketer of consumer and commercial products, and was also appointed as a member of its Nominating/Governance and its Organizational Development & Compensation Committees.

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

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

Herbert S. Wander. Herbert S. Wander is currently a director who was last elected by the holders of Series A Common Shares and Preferred Shares at the 2014 annual meeting. The following provides information on the background of Mr. Wander, including the specific factors that led to the conclusion that he should serve as a director of TDS:

Mr. Wander has extensive experience with TDS and its subsidiaries and the industries in which they operate as a director of TDS since its founding in 1968. He has also been a member of the TDS Audit Committee since 1986 and a member and chairperson of the TDS Compensation Committee since 2006.

Herbert S. Wander has been of counsel to the law firm of Katten Muchin Rosenman LLP since April 2015, and prior to that was partner of such law firm since 1979. He has been a lawyer since 1960, concentrating on all aspects of business law, including corporate governance and business acquisitions. Katten Muchin Rosenman LLP does not provide legal services to TDS or its subsidiaries.

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

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

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

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

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

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

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David A. Wittwer. David A. Wittwer was appointed as a director to fill the vacancy created by the retirement of Donald C. Nebergall in August 2014, as disclosed below. This directorship is elected by the holders of Series A Common Shares and Preferred Shares. Mr. Wittwer was appointed as a director based on the recommendation of the Corporate Governance and Nominating Committee. The following provides information on the background of Mr. Wittwer, including the specific factors that led to the conclusion that he should serve as a director of TDS:

Mr. Wittwer has primary responsibility for TDS Telecom's Wireline, Cable and HMS operations as the President and Chief Executive Officer of TDS Telecom. He has held such position since 2007.

Prior to that, Mr. Wittwer was Executive Vice President and Chief Operating Officer of TDS Telecom between 2006 and 2007. Prior to that, Mr. Wittwer was President of TDS Telecom's incumbent local exchange carrier operations between 2005 and 2006. Prior to that, he was Executive Vice President Staff Operations, Chief Financial Officer, Treasurer and Assistant Secretary of TDS Telecom for more than five years. Prior to that, Mr. Wittwer had been the controller and an accounting manager of TDS Telecom. He joined TDS Telecom in 1988. Prior to that, Mr. Wittwer had been employed by TDS' corporate division as an internal auditor since 1983.

Mr. Wittwer has been a member of the board of the Greater Madison Chamber of Commerce since 2007 and was previously board chair.

Mr. Wittwer is a Certified Public Accountant (inactive) and holds a BBA in accounting from the University of Wisconsin-Whitewater, and an MS in management and human resources from the University of Wisconsin-Madison.

Mr. Wittwer brings to the TDS board of directors substantial experience, expertise and qualifications with respect to TDS and its subsidiaries and the industries in which they operate as a result of his background as President and Chief Executive Officer of TDS Telecom since 2007, and as a result of his many years in other offices and positions at TDS Telecom. He brings substantial experience, expertise and qualifications in a wide range of critical areas in TDS' businesses, including management, accounting, finance, sales and marketing, regulatory affairs, engineering and network operations. As the President and Chief Executive Officer of TDS Telecom, one of TDS' two primary business units, the board of directors considers it appropriate and beneficial for Mr. Wittwer to serve on the TDS board to provide the board with his views on strategy and operations of TDS Telecom and its businesses.

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

Former Director:

Donald C. Nebergall. Donald C. Nebergall was elected as a director by the holders of Series A Common Shares and Preferred Shares at the 2014 annual meeting. Mr. Nebergall retired as a director in August 2014. In light of Mr. Nebergall's extensive experience with TDS and its subsidiaries and the industries in which they operate as a director of TDS since 1977, and as a member of the TDS Audit Committee for more than two decades, the TDS Board appointed Mr. Nebergall as director emeritus following his retirement in August 2014. As disclosed above, David A. Wittwer was appointed as a director to fill the vacancy created by Mr. Nebergall's retirement.

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CORPORATE GOVERNANCE

Board of Directors

The business and affairs of TDS are managed by or under the direction of the board of directors. The board of directors consists of twelve members. Holders of Common Shares elect 25% of the directors rounded up plus one director, or a total of four directors based on a board size of twelve directors. Holders of Series A Common Shares and Preferred Shares elect the remaining eight directors. As of February 28, 2015, the TDS Voting Trust had approximately 94.7% of the voting power in the election of the eight directors elected by the holders of Series A Common Shares and Preferred Shares, approximately 6.1% of the voting power in the election of the four directors elected by the holders of Common Shares and approximately 56.3% of the voting power in all other matters.

Board Leadership Structure

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

Board Role in Risk Oversight

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

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

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

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

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

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

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

In addition, in connection with the functions of the Compensation Committee relating to the compensation of the executive officers of TDS (other than executive officers of U.S. Cellular), the Compensation Committee considers risks relating to the compensation of executive officers of TDS, as discussed below in the Compensation Discussion and Analysis. In addition, the Compensation Committee has responsibilities under its charter and evaluates risk with respect to long-term compensation for all employees, which is discussed below under "Risks from Compensation Policies and Practices."

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

Furthermore, as discussed below, in March 2015, TDS established a Technology Advisory Group. The functions of the Technology Advisory Group include, inter alia, 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 board of directors also established a Technology Advisory Group Committee of the board of directors, that will consist of directors who will participate in the Technology Advisory Group. See below for further information on the Technology Advisory Group Committee and the Technology Advisory Group.

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

Director Independence and New York Stock Exchange Listing Standards

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

Under listing standards of the NYSE, TDS is a "controlled company" as such term is defined by the NYSE. TDS is a controlled company because over 50% of the voting power for the election of directors of TDS is held by the trustees of the TDS Voting Trust (i.e., the TDS Voting Trust has over 90% of the voting power in the election of directors elected by the holders of Series A Common Shares and Preferred Shares and thus has the voting power to elect eight of the twelve directors, or 66.7% of the directors). Accordingly, it is exempt from certain listing standards that require listed companies that are not controlled companies to (i) have a board composed of a majority of directors who qualify as independent under the rules of the NYSE, (ii) have a compensation committee composed entirely of directors who qualify as independent under the rules of the NYSE, and (iii) have a nominating/corporate governance committee composed entirely of directors who qualify as independent under the rules of the NYSE.

As a controlled company, TDS is required to have at least three directors who qualify as independent to serve on the Audit Committee. The TDS Audit Committee has four members: George W. Off (chairperson), Clarence A. Davis, Mitchell H. Saranow and Herbert S. Wander. Such directors must qualify as independent under the NYSE Listed Company Manual, including Section 303A.02(a) and Section 303A.02(b). 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

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Exchange Act of 1934, as amended (collectively, "Section 10A-3"). Except as required by listing standards or SEC rule, TDS does not have any categorical standards of independence that must be satisfied.

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

Such relevant facts and circumstances included the following: None of such persons is an employee or officer of TDS or any other member of the TDS Consolidated Group. None of such persons has any direct or indirect business relationships and/or fee arrangements with the TDS Consolidated Group and none of such persons receives any compensation from the TDS Consolidated Group except compensation for his services as a director and member of board committees of TDS. None of such persons has any relationship or arrangement with the TDS Consolidated Group other than in his capacity as a director of TDS. Each of such persons qualifies as independent under each of the categorical standards in Section 303A.02(b) of the NYSE Listed Company Manual. Each of such persons qualifies as independent under Section 10A-3 because (i) none of such persons receives any compensatory fee from any member of the TDS Consolidated Group (excluding permitted compensation for his services as a director and member of board committees of TDS); and (ii) none of such persons is an "affiliated person" (as defined by the SEC) with respect to any member of the TDS Consolidated Group (because none of such persons is an executive officer, or the beneficial owner of more than 10% of any class of voting equity security, of TDS or any other member of the TDS Consolidated Group). None of such persons is an "immediate family member" (as defined by Section 303A.02(b)) of any person who is not independent under Section 303A.02 of the NYSE Listed Company Manual. The only relationship and/or fee arrangement which such persons have with the TDS Consolidated Group are as directors and members of board committees of TDS.

In addition, incumbent directors Christopher D. O'Leary and Gary L. Sugarman would qualify as independent directors under the listing standards of the NYSE. As a result, six of the twelve incumbent directors, or 50% of the directors, have been determined to qualify or would qualify as independent under the listing standards of the NYSE.

Meetings of Board of Directors

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

Corporate Governance Guidelines

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

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

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composition, committees, board oversight, and other matters. Similarly, each committee of the board of directors evaluated its performance and effectiveness in 2014.

Corporate Governance and Nominating Committee

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

The Corporate Governance and Nominating Committee held six meetings during 2014.

Audit Committee

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

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

The Audit Committee is currently composed of four members all of whom qualify as independent under NYSE listing standards, including Section 10A-3, as discussed above. The current members of the Audit Committee are George W. Off (chairperson), Clarence A. Davis, Mitchell H. Saranow and Herbert S. Wander. The board of directors has determined that each of the members of the Audit Committee is financially literate and has "accounting or related financial management expertise" pursuant to listing standards of the NYSE.

The board has made a determination that each of Clarence A. Davis and Mitchell H. Saranow is an "audit committee financial expert" as such term is defined by the SEC.

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

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

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Pre-Approval Procedures

The Audit Committee has adopted a policy pursuant to which all audit and non-audit services by TDS' principal independent registered public accounting firm must be pre-approved by the Audit Committee. The following describes the policy as amended. Under no circumstances may TDS' principal independent registered public accounting firm provide services that are prohibited by the Sarbanes Oxley Act of 2002 or rules issued thereunder. Non-prohibited audit related services and certain tax and other services may be provided to TDS, subject to such pre-approval process and prohibitions. The Audit Committee has delegated to the chairperson together with one other member of the Audit Committee the authority to pre-approve services by the principal independent registered public accounting firm. In the event the chairperson is unavailable, pre-approval may be given by any two members of the Audit Committee. Specified services have been pre-approved in detail up to specified dollar limits pursuant to the policy. All services are required to be reported to the full Audit Committee at each of its regularly scheduled meetings.

Review, Approval or Ratification of Transactions with Related Persons

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

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

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

Accordingly, pursuant to such provisions, the TDS Audit Committee has responsibilities over transactions that are deemed to be related-party transactions under Section 314.00 of the NYSE Listed Company Manual. Other than the foregoing, TDS has no related party policies or procedures relating to (i) the types of transactions that are covered by such policies and procedures; (ii) the standards to be applied pursuant to such policies and procedures; or (iii) the persons or groups of persons on the board of directors or otherwise who are responsible for applying such policies and procedures, and TDS does not maintain any written document evidencing such policies and procedures.

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

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Compensation Committee

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

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

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

For these purposes, "executive officers" means all officers that are employees who are or will be identified in TDS' annual proxy statement as "executive officers," including the President and Chief Executive Officer of TDS Telecom and the President and Chief Executive Officer of U.S. Cellular, except that the compensation of the President and Chief Executive Officer of U.S. Cellular is established and administered by U.S. Cellular's chairman and long-term incentive compensation committee, as described in U.S. Cellular's 2015 proxy statement.

The Compensation Committee is comprised of at least two non-employee members of TDS' board of directors, each of whom is an "outside director" within the meaning of section 162(m) of the Internal Revenue Code of 1986, as amended, and a "Non-Employee Director" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended. As noted above, such members also qualify as independent under the rules of the NYSE. The members of the Compensation Committee are Herbert S. Wander (chairperson), George W. Off, Christopher D. O'Leary and Gary L. Sugarman. These persons do not have any compensation committee interlocks and are not related to any other directors.

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

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

The Compensation Committee does not approve director compensation. It is the view of the TDS board of directors that this should be the responsibility of the full board of directors. Only non-employee

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directors receive compensation in their capacity as directors and, as a result, the view of the TDS board of directors is that all directors should participate in such compensation decisions, rather than only some or all of the non-employee directors.

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

The Compensation Committee held five meetings during 2014.

Pricing Committee

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