

UNITED STATES CELLULAR CORP
Form DEF 14A
April 09, 2019

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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

United States Cellular Corporation

(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.
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(1) Amount Previously Paid:

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(4) Date Filed:

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UNITED STATES CELLULAR CORPORATION

8410 West Bryn Mawr Avenue

Chicago, Illinois 60631

Phone: (773) 399-8900

Fax: (773) 399-8936

April 9, 2019

Dear Fellow Shareholders:

You are cordially invited to attend the 2019 annual meeting of shareholders ("2019 Annual Meeting") of United States Cellular Corporation ("U.S. Cellular") on Tuesday, May 21, 2019, at 8:30 a.m., central time, at U.S. Cellular Plaza, 8410 W. Bryn Mawr Avenue, Chicago, Illinois. At the meeting, we will report on the accomplishments and plans of U.S. Cellular.

The Notice of the 2019 Annual Meeting of Shareholders and 2019 Proxy Statement ("2019 Proxy Statement") of our board of directors is attached. Also enclosed is our 2018 Annual Report to shareholders ("2018 Annual Report"). At the 2019 Annual Meeting, shareholders are being asked to take the following actions:

1. Elect members of the board of directors nominated by our board of directors and named in the attached 2019 Proxy Statement.
2. Ratify the selection of independent registered public accounting firm for the current fiscal year.
3. Approve, on an advisory basis, the compensation of our named executive officers as disclosed in the attached 2019 Proxy Statement (commonly known as "Say-on-Pay").

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

We would like to have as many shareholders as possible represented at the 2019 Annual Meeting. Therefore, whether or not you plan to attend the meeting, please sign, date and return the enclosed proxy card(s), or vote on the Internet in accordance with the instructions set forth on the proxy card(s).

We look forward to visiting with you.

Very truly yours,

LeRoy T. Carlson, Jr.
Chairman

Kenneth R. Meyers
President and Chief Executive Officer

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UNITED STATES CELLULAR CORPORATION

Dear Shareholders,

U.S. Cellular exists to provide exceptional wireless communication services which enhance consumers' lives, increase the competitiveness of local businesses, and improve the efficiency of government operations in the mid-sized and rural markets we serve.

At U.S. Cellular our customer centric approach and high-quality network differentiates us from competitors, and positions us to achieve business imperatives that will create long-term sustainable growth.

Strengthen and grow our loyal customer base

Last year, we saw low levels of handset churn as a result of high levels of customer loyalty and satisfaction. Customers appreciate the simplicity of our Total Plans, which include choices for unlimited data. We continue to evolve our pricing strategies and promotional plans, taking an even more targeted approach to meet the specific needs of our customers.

Capture new and emerging revenue opportunities

Our short-term initiatives behind capturing new revenue opportunities include optimizing our device portfolio to ensure consumers have access to emerging categories like wearables and connected home devices. It also includes continuing to deliver 4G fixed wireless broadband services to our more rural markets. We are expanding our operating footprint into a few areas adjacent to our current service territory and expanding our brand's relevancy across other consumer segments. Our long-term initiatives are centered around the opportunities to provide more advanced services with 5G technologies, which in turn will impact our network and distribution plans.

Advance our network to meet our customers' evolving needs

Network performance remains a key driver of customer satisfaction and a hallmark of U.S. Cellular's strategic positioning. We will continue to invest in current technologies, 4G and Voice over LTE, to ensure our customers have the high-quality experience they come to expect even as their data usage increases. At the same time, we will begin investing in next generation, 5G technology. Our New England and Mid-Atlantic markets are on track to roll out Voice over LTE in the first half of 2019, and we are targeting our first 5G commercial launches in 2020.

Maintain expense discipline

We balance competitiveness with profitability through aggressive but economical pricing and promotions. Despite increasing data usage, we still manage to keep system operations costs low through expense management initiatives.

Sincerely,

LeRoy T. Carlson, Jr.
Chairman

Kenneth R. Meyers
President and Chief Executive Officer

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NOTICE OF 2019 ANNUAL MEETING OF SHAREHOLDERS AND 2019 PROXY STATEMENT

TO THE SHAREHOLDERS OF

UNITED STATES CELLULAR CORPORATION

We will hold the 2019 annual meeting of the shareholders ("2019 Annual Meeting") of United States Cellular Corporation ("U.S. Cellular"), a Delaware corporation, at U.S. Cellular Plaza, 8410 W. Bryn Mawr Avenue, Chicago, Illinois, on Tuesday, May 21, 2019, at 8:30 a.m., central time. At the meeting, we are asking shareholders to take the following actions:

1. To elect members of the board of directors nominated by our board of directors and named in this proxy statement. Your board of directors unanimously recommends that you vote **FOR** its nominees.
2. To ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the year ending December 31, 2019. Your board of directors unanimously recommends that you vote **FOR** this proposal.
3. To approve, on an advisory basis, the compensation of our named executive officers as disclosed herein (commonly known as "Say-on-Pay"). Your board of directors unanimously recommends that you vote **FOR** the Say-on-Pay proposal.
4. To transact such other business as may properly come before the meeting or any postponement, adjournment or recess thereof.

We have fixed the close of business on March 27, 2019, as the record date for the determination of shareholders entitled to notice of, and to vote at, the 2019 Annual Meeting or any postponement, adjournment or recess thereof.

We are first sending this Notice of the 2019 Annual Meeting of Shareholders and 2019 Proxy Statement, together with our 2018 Annual Report, on or about April 9, 2019, to shareholders who are receiving a paper copy of the proxy materials. We made arrangements to commence mailing a Notice of Internet Availability of Proxy Materials on or about April 9, 2019 to other shareholders as discussed below.

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**IMPORTANT NOTICE REGARDING INTERNET AVAILABILITY OF PROXY MATERIALS
FOR THE SHAREHOLDERS MEETING TO BE HELD ON MAY 21, 2019**

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

Effective April 9, 2019, the following documents are available at www.uscellular.com under About Us Investor Relations Proxy Vote, or at investors.uscellular.com/proxyvote:

1. 2019 Proxy Statement
2. 2018 Annual Report
3. Proxy Card
4. Notice of Internet Availability of Proxy Materials

Under SEC rules, proxy materials are being furnished to many of our shareholders via the Internet, instead of mailing printed copies of those materials to each shareholder. Beginning April 9, 2019, U.S. Cellular made arrangements to commence sending certain shareholders a Notice of Internet Availability of Proxy Materials (the "Notice") containing instructions on how to access our proxy materials, including our 2019 Proxy Statement and 2018 Annual Report. The Notice also instructs shareholders on how to vote through the Internet.

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

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

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

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

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

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

The location where the 2019 Annual Meeting will be held is on the second floor of the U.S. Cellular Plaza, 8410 W. Bryn Mawr Avenue, Chicago. This building is just south of Interstate 90 and approximately one block west of Cumberland Avenue.

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UNITED STATES CELLULAR CORPORATION

2019 PROXY STATEMENT

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SUMMARY

The following is a summary of the actions being taken at the 2019 Annual Meeting and does not include all of the information that may be important to you. You should carefully read this entire Proxy Statement and not rely solely on the following summary.

Proposal 1 Election of Directors

Under the terms of U.S. Cellular's Restated Certificate of Incorporation ("Restated Charter"), the terms of all incumbent directors will expire at the 2019 Annual Meeting.

The holders of Common Shares are entitled to elect three directors. Your board of directors has nominated the following incumbent directors for election as directors by the holders of Common Shares: J. Samuel Crowley, Gregory P. Josefowicz and Cecelia D. Stewart.

TDS, as the sole holder of Series A Common Shares, is entitled to elect eight directors. Your board of directors has nominated the following incumbent directors for election as directors by the holder of Series A Common Shares: Steven T. Campbell, LeRoy T. Carlson, Jr., Walter C. D. Carlson, Ronald E. Daly, Harry J. Harczak, Jr., Kenneth R. Meyers, Peter L. Sereda, and Kurt B. Thaus.

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

Proposal 2 Ratification of Independent Registered Public Accounting Firm

As in prior years, shareholders are being asked to ratify PricewaterhouseCoopers LLP ("PwC") as the company's independent registered public accounting firm for the year ending December 31, 2019.

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"), shareholders are being asked to approve, on an advisory basis, the compensation of our named executive officers for 2018.

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

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VOTING INFORMATION

Voting Rights

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

What is the record date for the meeting?

The close of business on March 27, 2019.

A complete list of shareholders entitled to vote, arranged in alphabetical order and by voting group, showing the address of and number of shares held by each shareholder, will be made available at the offices of U.S. Cellular, 8410 West Bryn Mawr Avenue, Chicago, Illinois 60631, for examination by any shareholder, for any purpose germane to the 2019 Annual Meeting, during normal business hours, for a period of at least ten days prior to the 2019 Annual Meeting.

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

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

Common Shares; and

Series A Common Shares.

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

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

On the record date, U.S. Cellular had outstanding 53,346,077 Common Shares, par value \$1.00 per share (excluding 1,721,924 Common Shares held by U.S. Cellular and a subsidiary of U.S. Cellular), and 33,005,877 Series A Common Shares, par value \$1.00 per share. As of the record date, no shares of Preferred Stock, par value \$1.00 per share, of U.S. Cellular were outstanding.

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

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

Class or Series of Common Stock	Total Number of Directors Elected by		Class or Series
	Votes Outstanding	per Share Power	
Series A Common Shares	33,005,877	100,058,770	8

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Common Shares	53,346,077	153,346,077	3
Total	N/A	N/A	N/A 11

TDS, as the sole holder of Series A Common Shares, is entitled to elect eight directors and the holders of Common Shares are entitled to elect three of the directors.

Director Voting Sunset Provision.

As noted above, the holders of Series A Common Shares and holders of Common Shares vote separately in the election of directors. However, pursuant to U.S. Cellular's Restated Charter, if the number of Series A Common Shares issued and outstanding at any time falls below 12.5% of the

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number of outstanding shares of common stock, because of the conversion of Series A Common Shares into Common Shares or otherwise, the holder of Series A Common Shares would lose the right to vote as a separate class, and thereafter the holder of Series A Common Shares, with ten votes per share, and the holders of Common Shares, with one vote per share, would vote as a single class in the election of all directors.

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

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

Class or Series of Common Stock	Votes Total		
	Outstanding	per Share Voting	PowerPercent
Series A Common Shares	33,005,877	10	330,058,770 86.1%
Common Shares	53,346,077	1	53,346,077 13.9%
Total	N/A	N/A	383,404,847 100.00%

Voting Power Sunset Provision.

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

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

Holders of Common Shares may, with respect to the election of the three directors to be elected by the holders of Common Shares, vote FOR or WITHHOLD. TDS, with respect to the election of the eight directors to be elected by the holders of Series A Common Shares, may vote FOR or WITHHOLD.

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 PwC in Proposal 2?

Shareholders may, with respect to the proposal to ratify the selection of PwC:

vote FOR,

vote AGAINST, or

ABSTAIN from voting on this proposal.

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

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

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

vote FOR,

vote AGAINST, or

ABSTAIN from voting on this proposal.

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

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How does TDS intend to vote?

TDS is the sole holder of Series A Common Shares and on the record date held 33,005,877 Series A Common Shares. By reason of such holding, TDS has the voting power to elect all of the directors to be elected by the Series A Common Shares. TDS also held 37,782,826 Common Shares on the record date, representing approximately 70.8% of the voting power with respect to the election of the directors to be elected by the holders of Common Shares. TDS has approximately 95.9% of the voting power with respect to matters other than the election of directors.

TDS has advised us that it intends to vote:

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

FOR the proposal to ratify the selection of PwC, 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 three directors, the ratification of PwC, and the Say-on-Pay proposal. Whether or not you plan to attend the meeting, please sign, date and mail your proxy card(s) in the enclosed self-addressed envelope to Proxy Services, c/o Computershare Investor Services, P.O. Box 505000, Louisville, KY 40233-5000, or vote on the Internet using the control/identification number on your proxy card in accordance with the instructions set forth on the proxy card. You have the power to revoke your proxy at any time before it is voted.

How will proxies be voted?

All properly voted and unrevoked proxies received in time for the 2019 Annual Meeting will be voted in the manner directed.

If no direction is made, a proxy by a shareholder will be voted FOR the election of each of the named director nominees 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 and vote at the 2019 Annual Meeting, such "non-votes" will not be considered present and entitled to vote on such matter. However, the shares represented by such a proxy may be considered present and entitled to vote on other matters and will count for the purpose of determining the presence of a quorum.

Proxies given pursuant to this solicitation may be revoked at any time prior to the voting of the shares at the 2019 Annual Meeting by written notice to the Secretary of U.S. Cellular, by submitting a later dated proxy or by attendance and voting in person at the Annual Meeting.

The board of directors has no knowledge of any other proposals that may be properly presented at the 2019 Annual Meeting and no other proposals were received by U.S. Cellular by the date specified by the advance notice provision in U.S. Cellular's Bylaws. The proxy solicited by the board of directors confers discretionary authority to the proxies named to vote on matters 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 Rule 14a-4(c) under the Securities Exchange Act of 1934, as amended. If the meeting is adjourned or postponed, the named proxies can vote such shares at the adjournment or postponement.

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

If you are the beneficial owner of shares held in "street name" by a broker, bank, or other nominee ("broker"), such broker, as the record holder of the shares, is required to vote those shares in accordance with your instructions. If you do not give specific instructions to the broker or have standing instructions on file with the broker, under Rule 452 of the NYSE, depending on the timing of certain

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actions, the broker may be entitled to vote the shares with respect to "discretionary" items but will not be permitted to vote the shares with respect to "non-discretionary" items (in which case such shares will be treated as non-votes). In addition, whether the broker can or will vote your shares with respect to discretionary items if you have not given instructions to the broker and how such shares may be voted by the broker (i.e., proportionately with voting instructions received by the broker from other shareholders or pursuant to the recommendation of management, etc.) depend on the particular broker's policies. As a result, we cannot advise you whether your broker will or will not vote your shares or how it may vote the shares if it does not receive or have voting instructions from you and, accordingly, recommend that you contact your broker. In general, the ratification of auditors is a discretionary item. On the other hand, matters such as the election of directors (whether contested or not) or votes on Say-on-Pay are non-discretionary items. In such cases, if your broker does not have specific or standing instructions, your shares will be treated as non-votes and will not be voted on such matters. Accordingly, we urge you to provide instructions to your broker so that your votes may be counted on all matters. If your shares are held in street name, your broker will include a voting instruction form with this 2019 Proxy Statement. We strongly encourage you to vote your shares by following the instructions provided on the voting instruction form. Please return your voting instruction form to your broker and/or contact your broker to ensure that a proxy card is voted on your behalf.

What constitutes a quorum for the meeting?

A majority of the voting power of shares of capital stock in matters other than the election of directors and entitled to vote, present in person or represented by proxy, will constitute a quorum to permit the 2019 Annual Meeting to proceed. Withheld votes and abstentions of shares entitled to vote and non-votes will be treated as present in person or represented by proxy for purposes of establishing a quorum for the meeting. If the shares beneficially owned by TDS are present in person or represented by proxy at the 2019 Annual Meeting, such shares will constitute a quorum. 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.

In the election of directors, where a separate vote by a class or voting group is required, the holders of a majority of the votes of the stock of such class or voting group, present in person or represented by proxy, will constitute a quorum entitled to take action with respect to that vote on that matter. With respect to a director, withheld votes by shares entitled to vote and non-votes will be treated as present in person or represented by proxy for the purpose of establishing a quorum for the election of such director. If the shares beneficially owned by TDS are present in person or represented by proxy at the 2019 Annual Meeting, such shares will constitute a quorum with respect to the eight directors to be elected by the Series A Common Shares and the three directors to be elected by the Common Shares.

The holders of a majority of the votes of the stock issued and outstanding and entitled to vote with respect to the other proposals, present in person or represented by proxy, will constitute a quorum at the 2019 Annual Meeting in connection with such other proposals. With respect to such proposals, abstentions from voting and non-votes will be treated as present in person or represented by proxy for the purpose of establishing a quorum. If the shares beneficially owned by TDS are present in person or represented by proxy at the 2019 Annual Meeting, such shares will constitute a quorum in connection with such proposals.

Even if a quorum is present, the holders of a majority of the voting stock present in person or represented by proxy may adjourn the 2019 Annual Meeting. Because it holds a majority of the voting power of all classes of stock, TDS has the voting power to approve an adjournment. U.S. Cellular does not currently have any expectation that the 2019 Annual Meeting would be adjourned for any reason. However, if there is a proposal to adjourn the 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.

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

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

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

In the election of directors, if a quorum of such shares is present at the 2019 Annual Meeting, the person receiving a plurality of the votes cast by holders of such shares entitled to vote will be elected to serve as a director. Withheld votes and non-votes will not be counted as votes cast for the purpose of determining if a director has received a plurality of the votes.

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

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

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PROPOSAL 1
ELECTION OF DIRECTORS

The terms of all incumbent directors will expire at the 2019 Annual Meeting. The board of directors' nominees for election as directors are identified in the table below. Each of the nominees has consented to be named and serve if elected. The age of the following persons is as of the date of this 2019 Proxy Statement.

To be Elected by Holders of Common Shares

Name	Age	Position with U.S. Cellular and Principal Occupation	Served as Director since
J. Samuel Crowley	68	Director of U.S. Cellular, Former executive at Gold's Gym International, Inc., Michaels Stores, Inc. and CompUSA, Inc.	1998
Gregory P. Josefowicz	66	Director of U.S. Cellular, Former Chairman, Chief Executive Officer and President of Borders Group, Inc. and former Chief Executive Officer of the Jewel-Osco division of American Stores Company	2009
Cecelia D. Stewart	60	Director of U.S. Cellular, Former President of U.S. Consumer and Commercial Banking of Citigroup Inc.	2013

To be Elected by Holder of Series A Common Shares

Name	Age	Position with U.S. Cellular and Principal Occupation	Served as Director since
Steven T. Campbell	67	Director and Executive Vice President-Finance, Chief Financial Officer and Treasurer of U.S. Cellular	2014
LeRoy T. Carlson, Jr.	72	Chairman and Director of U.S. Cellular and President and Chief Executive Officer of TDS	1984
Walter C. D. Carlson	65	Director of U.S. Cellular and Partner, Sidley Austin LLP, Chicago, Illinois	1989
Ronald E. Daly	72	Director of U.S. Cellular, Former President and Chief Executive Officer of Océ-USA Holding, Inc. and former President of the Printing Solutions division of R.R. Donnelley, Inc.	2004
Harry J. Harczak, Jr.	62	Director of U.S. Cellular, Managing Director of Sawdust Capital, LLC and former Executive Vice President at CDW Corporation	2003
Kenneth R. Meyers	65	Director, President and Chief Executive Officer of U.S. Cellular	1999
Peter L. Sereda	60	Director of U.S. Cellular and Senior Vice President Finance of TDS	2014
Kurt B. Thaus	60	Director of U.S. Cellular and Senior Vice President and Chief Information Officer of TDS	2014

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

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; the name and principal business of any corporation or other organization in which such occupation(s) and employment were carried on; and whether such corporation or organization is a parent, subsidiary or other affiliate of U.S.

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Cellular. The following also indicates any other directorships held, including any other directorships held during at least the past five years, by each nominee, in any SEC registered company or any investment company, and the identity of such company.

The board of directors does not have any specific, minimum qualifications that must be met by a nominee, or any specific qualities or skills that are necessary for directors to possess. The U.S. Cellular board believes that substantial judgment, diligence and care are required to identify and select qualified persons and it does not believe that it would be appropriate to place limitations on its own discretion.

The board of directors has consistently sought to nominate eminently qualified individuals that can provide substantial benefit and guidance. U.S. Cellular also believes that it is desirable to have diverse backgrounds, experience, skills and other characteristics. In addition, the conclusion of which persons should serve is based in part on the fact that U.S. Cellular is a controlled company with a capital structure in which different classes of stock vote for different directorships. In particular, because TDS owns 100% of the Series A Common Shares, nominations of directors for election by the holder of the Series A Common Shares are based on the recommendation of TDS. In addition, the board of directors may consider the recommendations of large shareholders, including TDS, in nominating persons for election as directors by the holders of Common Shares.

Board composition supports long-term strategy

U.S. Cellular exists to provide exceptional wireless communications services which enhance consumers' lives, increase the competitiveness of local businesses and improve the efficiency of government operations in mid-sized and rural markets we serve. U.S. Cellular's board of directors has broad experiences, qualifications, attributes or skills that support its long-term strategy. The Board of Directors also has considerable expertise in retail, consumer, and marketing which support its strategy.

Nominees for Election by Holders of Common Shares

J. Samuel Crowley Independent Director

Current Role: Director; Private Investor

Age: 68

Mr. Crowley has significant experience with U.S. Cellular and the wireless industry. He brings substantial experience in retail management and operations. Mr. Crowley also has expertise in areas of strategy, technology, new concept development, customer service culture and operational structure and efficiency. In 2013, the National Association of Corporate Directors (NACD) named Mr. Crowley a NACD Fellow recognizing his commitment to the highest standards of boardroom leadership. Mr. Crowley also brings cyber-risk oversight experience to the board since he completed the NACD Cyber-Risk Oversight program and earned the CERT Certificate in Cybersecurity Oversight. Mr. Crowley received an undergraduate degree from Rice University and an MBA from the University of Texas at Dallas.

Director since: 1998

Board Committees:

Audit Committee,
Chairperson

Long-Term Incentive
Compensation
Committee

**Prior Business and
other Experience:**

Chief Operating
Officer, Gold's Gym
(2005-2007)

**Current Public
Company Boards**

None

**Former Public
Company Boards**

Senior Vice
President-New
Ventures, Michaels,
Stores, Inc.

Vois, Inc. (2010-2011)	(2002-2003)
Goodman Networks (2014-2016), Audit Committee, Chairperson and designated financial expert	Business Strategy Consultant, Insider Marketing (2000-2002) Multiple operating roles at CompUSA (1989-2000)

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Gregory P. Josefowicz Independent Director

Current Role: Director; Private Investor**Age:** 66

Mr. Josefowicz has significant experience with U.S. Cellular and the wireless industry. He has substantial experience, expertise and qualifications in retail marketing, merchandising and general management, along with service as a public company board member. He also has extensive executive leadership experience from leading large retail operations. In addition, he has substantial experience as a result of serving on multiple Audit, Compensation, and Nominating and Governance Committees. Mr. Josefowicz holds a BA in Marketing from Michigan State University and an MBA from Northwestern University's J. L. Kellogg Graduate School of Management.

Director since: 2009**Board Committees:**

Audit Committee

Long-Term Incentive
Compensation
Committee, ChairpersonTechnology Advisory
Group Committee**Current Public
Company Boards**Empire Company
Limited, since 2016;
Human Resources
Committee**Former Public
Company Boards**Borders Group, Inc.,
Chairperson
(2002-2006)PetSmart, Inc.
(2004-2015);
Chairperson; Lead
Director;
Compensation
Committee;
Nomination and
Governance
CommitteeRoundy's, Inc.
(2012-2015); Audit
Committee;
Compensation
Committee;
Nominating and
Corporate
Governance; Lead
Director**Prior Business and
other Experience:**True Value Company
(2010-2018); Vice
ChairmanBorders Group, Inc.
(1999-2006), President
and Chief Executive
OfficerTops Holding
Corporation
(2008-2013). Board
memberPresident,
Albertson's Inc.(1999)Jewel-Osco division of
American Stores
(1974-1999), including
several executive
leadership positions and
ending as its President

Ryerson, Inc.
(1999-2006); Audit
Committee,
Chairperson

Spartan Stores
(2001-2005);
Compensation
Committee

TDS (2007-2009)

Winn-Dixie
Stores, Inc.
(2006-2012); Audit
Committee,
designated financial
expert; Lead Director

Cecelia D. Stewart Independent Director

Current Role: Director; Private Investor

Age: 60

Ms. Stewart has significant experience with U.S. Cellular and the wireless industry. Ms. Stewart has more than 30 years of experience in the consumer banking industry. Ms. Stewart also has extensive executive leadership experience from leading large, global financial services firms. Further, her background and attributes bring diversity to the board. Ms. Stewart has an MBA from Winthrop University's Executive MBA program and she was awarded an Honorary Doctorate Degree from Winthrop University in 2014.

Director since: 2013

Board Committees:

Audit Committee

Long-Term Incentive
Compensation
Committee

Technology
Advisory Group
Committee

**Current Public
Company Boards**

**Former Public
Company Boards**

**Prior Business and
other Experience:**

First Horizon
National Corporation,
since 2014; Audit
Committee;
Information
Technology
Committee,
Chairperson

None

President, U.S.
Consumer and
Commercial Banking
of Citigroup Inc.
(2011-2014)

Morgan Stanley,
President of Retail
Banking Group and
Chief Executive

Officer of the Private
Bank Division
(2009-2011)

Wachovia
Corporation
(1978-2008),
including several
leadership positions
most recently as
Executive Vice
President and head of
retail and small
business banking

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

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Nominees for Election by Holders of Series A Common Shares

Steven T. Campbell Non-Independent Director

Current Role: Director; Executive Vice President-Finance, Chief Financial Officer and Treasurer

Age: 67

Director since: 2014

Mr. Campbell has significant experience with U.S. Cellular and the wireless industry having served as an executive officer since 2005. He also brings substantial experience in accounting and finance having held senior leadership positions at a number of public companies. Mr. Campbell is responsible for accounting and financial reporting, financial planning and analysis, and treasury functions. In addition he leads the business strategy, risk management, legal and regulatory affairs, real estate, intercarrier business and supply chain activities. Mr. Campbell is a Certified Public Accountant (inactive). He has a bachelor's degree in accounting from Quincy University and has an MBA from Northwestern University's J. L. Kellogg Graduate School of Management.

Prior Business and other Experience:

3Com Corporation (1997-2005)
Vice President-Financial Operations

U.S. Robotics Corporation (1995-1997) Vice President and Controller

Amoco Corporation (1980-1995)

Current Public Company Boards:

Former Public Company Boards:

PricewaterhouseCoopers LLP (1973-1980)

None

None

LeRoy T. Carlson, Jr. Chairman of the Board and Non-Independent Director

Current Role: Director; TDS President, since 1981, and TDS Chief Executive Officer, since 1986

Age: 72

Director since: 1984

Mr. Carlson brings substantial experience, expertise and qualifications with respect to the wireless industry 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 U.S. Cellular. As the senior executive officer of U.S. Cellular and of its

Board Committee:

Technology Advisory Group Committee, Chairperson

parent, the board of directors considers it essential that Mr. Carlson serve on the U.S. Cellular board. Also, because he is a director and officer of TDS the largest shareholder of U.S. Cellular, his participation on the board permits him to represent the long-term interest of U.S. Cellular shareholders. He also has experience as a member of the TDS Corporate Governance and Nominating Committee since 2004. Mr. Carlson has a bachelor's degree from Harvard College and an MBA from Harvard Graduate School of Business.

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

**Prior Business and
other Experience:**

Trustee of the TDS
Voting Trust

**Current Public
Company Boards:**

TDS since 1968

**Former Public
Company Boards:**

Aerial Communications

American Paging

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Walter C. D. Carlson Non-Independent Director

Current Role: Director; Partner of the law firm Sidley Austin LLP for more than five years

Mr. Carlson brings substantial experience, expertise and qualifications with respect to U.S. Cellular and the wireless industry 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 Chairman of the TDS Board. Also, because he is a director of TDS, the largest shareholder of U.S. Cellular, his Board participation permits him to represent the long-term interests of U.S. Cellular shareholders. Mr. Carlson is an experienced litigator and has represented many public and private corporate clients. He also has experience as a member and the chairperson of the TDS Corporate Governance and Nominating Committee since 2004. Mr. Carlson has a bachelor's degree from Yale University and a J.D. from Harvard University.

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

Current Public Company Boards:

TDS, since 1981

Former Public Company Boards:

Aerial Communications, Inc.

Age: 65

Director since: 1989

Prior Business and other Experience:

Trustee of the TDS Voting Trust

Ronald E. Daly Independent Director

Current Role: Director; Private Investor

Mr. Daly has significant experience with U.S. Cellular and the wireless industry. Mr. Daly brings substantial experience as a result of his executive leadership positions at large, global companies. Mr. Daly also has telecommunications experience as President of the R.R. Donnelly telecom group. Mr. Daly was formerly a board member of AARP, Inc., president of the Leadership Greater Chicago Board, former member of the Conference Board Council of Operating Executives and a member

Age: 72

Director since 2004

Board Committees:

Long-Term Incentive Committee

Technology Advisory Group Committee

of the National Black MBA Association. Mr. Daly was a Trustee of Loyola University and served as an Adjunct Professor of Strategy and Leadership. Further, his background and attributes bring diversity to the board. Mr. Daly has an MBA from Loyola University of School of Business.

Prior Business and other Experience:

Océ-USA Holding, Inc., President and Chief Executive Officer (2002-2004)

Current Public Company Boards:

None

Former Public Company Boards:

SuperValu, Inc. (2003-2013); Compensation, Governance, and Finance Committees

R.R. Donnelley, Inc. (1964-2002) including several leadership positions most recently as President of R.R. Donnelley Printing Solutions, in addition to 7 years as President of its telecom group.

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Harry J. Harczak Independent Director

Current Role: Director; Managing Director of Sawdust Capital, LLC, since 2008

Mr. Harczak has significant experience with U.S. Cellular and the wireless industry. Mr. Harczak brings substantial experience in finance, sales, operations and management as a result of his executive leadership positions at CDW. Mr. Harczak also has significant experience in accounting and auditing as a result being a chief financial officer and a former partner at PricewaterhouseCoopers. Mr. Harczak is a Certified Public Accountant (inactive). Mr. Harczak has a bachelor of science degree in accounting from DePaul University and an MBA from the University of Chicago.

Age: 62

Director since 2003

Board Committee:

Audit Committee, Designated financial expert

Prior Business and other Experience:

CDW Corporation (1994-2007), including several executive leadership positions most recently as Chief Financial Officer and Executive Vice President of Sales, Marketing and Business Development

Current Public Company Boards:

Tech Data Corporation, since 2008; Audit Committee, Chairperson; Cybertech Committee

Former Public Company Boards:

None

PricewaterhouseCoopers LLP

Kenneth R. Meyers Non-Independent Director

Current Role: Director; President and Chief Executive Officer of U.S. Cellular, since 2013

Mr. Meyers has over 30 years of leadership experience in the wireless industry. Mr. Meyers also has significant accounting and finance experience as a result of being a Chief Financial Officer at both U.S. Cellular and TDS. He has also held several executive leadership roles in management, marketing, human resources and information resources. As

Age: 65

Director since 1999

Prior Business and other Experience:

TDS' executive vice president and chief financial officer (2007-2013)

the president and chief executive officer of U.S. Cellular, the board of directors considers it essential that he serve on the board to provide his views on strategy and operations. Mr. Meyers is a Certified Public Accountant (inactive). Mr. Meyers has a bachelor degree in public accounting from Loyola University Chicago and an MBA from Northwestern University's J. L. Kellogg Graduate School of Management.

Significant leadership and operational experience since joining U.S. Cellular in 1987 including several executive leadership roles providing expertise in management, finance and accounting

**Current Public
Company Boards:**

TDS, since 2007

**Former Public
Company Boards:**

None

Marmon Group

Trans Union
Corporation

Table of Contents**Peter L. Sereda** Non-Independent Director

Current Role: Director; TDS Senior Vice President - Finance

Age: 60

Director since 2014

Mr. Sereda has extensive experience with the wireless industry having served as an executive officer of TDS since 1998. Mr. Sereda is responsible for long and short term financing, cash and investment management, banking relationships, and risk and pension asset management. Mr. Sereda also brings substantial experience in finance and the capital markets. Mr. Sereda has a bachelor degree in civil engineering and economics from the Massachusetts Institute of Technology and an MBA in finance and statistics from the University of Chicago Booth School of Business.

Prior Business and other Experience:

Specialty Foods Corporation (1994-1998), including several executive leadership roles most recently Vice President of Finance - Operations

Current Public Company Boards:

None

Former Public Company Boards:

None

Duchossois Industries (1986-1994)

Kurt B. Thaus Non-Independent Director

Current Role: Director; TDS Senior Vice President and Chief Information Officer

Age: 60

Director since 2014

Mr. Thaus has significant experience with the wireless industry having served as an executive officer of TDS since 2004. He is responsible for all elements of TDS' information technology function including cybersecurity, data management, and financial and operating applications, in addition to responsibility for TDS' OneNeck IT Solutions subsidiary. Mr. Thaus brings over 30 years of experience in information technology, mechanical, environmental and systems engineering. Mr. Thaus has a bachelor of science degree in mechanical engineering from the University of Illinois at Urbana-Champaign and a master's degree in engineering management from Northwestern University.

Prior Business and other Experience:

T-Systems North America, Inc., (1998-2003) a subsidiary of T-Systems International (Deutsche Telecom), most recently as Senior Vice President of Technology Services

**Current Public
Company Boards:**

None

**Former Public
Company Boards:**

None

Waste
Management, Inc.
(1988-1998)

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

Director Emeritus

James Barr III. James Barr III has been director emeritus since the 2018 Annual Meeting.

Paul-Henri Denuit. Paul Henri-Denuit has been director emeritus since the 2017 Annual Meeting.

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CORPORATE GOVERNANCE

Board of Directors

The business and affairs of U.S. Cellular are managed by or under the direction of the board of directors. The board of directors consists of eleven members. Holders of Common Shares elect 25% of the directors rounded up to the nearest whole number, or three directors based on a board size of eleven directors. TDS, as the sole holder of Series A Common Shares, elects the remaining eight directors.

Board Leadership Structure

Under the leadership structure selected for U.S. Cellular, the same person does not serve as both the chairman and chief executive officer. LeRoy T. Carlson, Jr. serves as Chairman and, in that capacity, sets the agenda and presides over board of directors meetings, and assesses the performance of U.S. Cellular. Kenneth R. Meyers serves as President and Chief Executive Officer and is responsible for day-to-day leadership and performance and, in that capacity, regularly confers and consults with the Chairman with respect to important strategic, operating and financial activities and decisions.

This leadership structure is set forth in the Bylaws. U.S. Cellular has determined that this leadership structure is appropriate given that it is controlled by TDS. As a result, it is considered appropriate that LeRoy T. Carlson, Jr. (who is the President and Chief Executive Officer of TDS), should serve as the Chairman and provide oversight authority. In addition, this leadership structure separates the executive who is primarily responsible for the performance of the company from the person who sets the agenda for and presides over board of directors meetings.

Board Role in Risk Oversight

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

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

Although the U.S. Cellular board of directors has ultimate oversight authority over risk, certain committees have 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. Accordingly, the Audit Committee discusses U.S. Cellular's major financial and operational risk exposures and the steps management has taken to monitor and control such exposures in connection with its review of financial statements and related matters on a quarterly basis.

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

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

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Furthermore, TDS has established a Technology Advisory Group (TAG) for TDS and its business units, including U.S. Cellular. The functions of the TAG include reviewing technology matters relating to security, threats, risks and internal controls, including safeguards, vulnerabilities, preparedness, disaster recovery plans, cybersecurity insurance and similar matters. Related to this, the U.S. Cellular board of directors established a TAG Committee of the board of directors that consists of directors who participate in the TAG.

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

Board Oversight of Cybersecurity

U.S. Cellular believes oversight of cybersecurity risks is the responsibility of the full board of directors and the board of directors receives annual updates regarding U.S. Cellular's assessment of threats and mitigation plans. The Audit Committee also exercises oversight for the control-related cybersecurity risks and mitigation plans and receives updates semiannually. The Audit Committee oversees the Company's processes over internal controls and financial reporting that includes controls and procedures that are designed to ensure that significant cybersecurity incidents are communicated to management. Cybersecurity is also discussed at the Technology Advisory Group as warranted.

J. Samuel Crowley, chairperson of the U.S. Cellular Audit Committee, completed the NACD Cyber-Risk Oversight program and earned the CERT Certificate in Cybersecurity Oversight issued by Software Engineering Institute at Carnegie Mellon University. The program is designed to help directors enhance their cybersecurity literacy and strengthen the board's role in overseeing the organization's cyber preparedness.

Director Independence and New York Stock Exchange Listing Standards

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

As discussed below under "Audit Committee," the following members of the Audit Committee qualify as independent under the NYSE listing standards: J. Samuel Crowley (chairperson), Harry J. Harczak, Jr., Gregory P. Josefowicz and Cecelia D. Stewart. In addition, Ronald E. Daly would qualify as an independent director under the listing standards of the NYSE. As a result, five of the eleven directors, or 45% of the directors, have been determined to qualify or would qualify as independent under the listing standards.

Meetings of Board of Directors

Our board of directors held five meetings during 2018. Each director attended at least 75% of the total number of meetings and at least 75% of the total number of committee meetings on which such person was a member of the committee.

Corporate Governance and Best Practices

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

Annual election of directors.

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

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

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

The U.S. Cellular Chairman, who is the CEO of the controlling shareholder (TDS), approves executive compensation, other than long-term equity-based compensation, ensuring the interests of shareholders are represented in compensation matters.

Although not required to do so, U.S. Cellular has established a LTICC, comprised solely of independent directors, with responsibility for long-term equity-based compensation.

The LTICC operates under a charter and in a manner that is intended to reflect good corporate governance and other best practices.

The LTICC uses market compensation information supplied by our compensation consultant, Willis Towers Watson, as one factor in making executive officer long-term equity-based compensation decisions.

Once each year as part of a board meeting, the board of directors discusses corporate governance generally, including the allocation of seats between independent and non-independent directors.

Annual self-assessment of board.

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

Executive sessions are held with only independent directors present.

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

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

Corporate Governance Guidelines

Under NYSE listing standards, U.S. Cellular is required to adopt and disclose corporate governance guidelines that address certain specified matters. U.S. Cellular's guidelines address (i) board of directors structure, (ii) director qualification standards, (iii) director responsibilities, orientation and continuing education, (iv) director compensation, (v) board resources and access to management and independent advisors, (vi) annual performance evaluation of the board and committees, (vii) board committees, (viii) management succession and (ix) periodic review of the guidelines.

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

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A copy of such guidelines is available on U.S. Cellular's website, www.uscellular.com, under About Us Investor Relations Corporate Governance Governance Guidelines.

Board Self-Assessment. Pursuant to these Guidelines, under the leadership of the Chairman, the board of directors performed a self-assessment and evaluated its performance and effectiveness as a board in 2018. This self-assessment covered matters relating to board meetings, board composition, committees, board oversight, and other matters.

Audit Committee

The purpose and primary functions of the Audit Committee are to (a) assist the board of directors of U.S. Cellular in its oversight of (1) the integrity of U.S. Cellular's financial statements, (2) U.S. Cellular's compliance with legal and regulatory requirements, (3) the qualifications and independence of U.S.

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Cellular's registered public accounting firm, and (4) the performance of U.S. Cellular's internal audit function and registered public accounting firm; (b) prepare an audit committee report as required by the rules of the SEC to be included in U.S. Cellular's annual proxy statement; and (c) perform such other functions as set forth in the U.S. Cellular Audit Committee charter, which shall be deemed to include the duties and responsibilities set forth in Section 10A-3. A copy of U.S. Cellular's Audit Committee charter is available on U.S. Cellular's website, www.uscellular.com, under About Us Investor Relations Corporate Governance Audit Committee-Audit Committee Charter.

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

As a controlled company, U.S. Cellular is required to have at least three directors who qualify as independent to serve on the Audit Committee. Such directors must qualify as independent under the NYSE Listed Company Manual, including Section 303A.02(a), Section 303A.02(b) along with Section 303A.06, which incorporates the independence requirements of Rule 10A-3 under Section 10A-3 of the Securities Exchange Act of 1934, as amended (collectively, "Section 10A-3"). The U.S. Cellular Audit Committee currently has four members: J. Samuel Crowley (chairperson), Harry J. Harczak, Jr., Gregory P. Josefowicz and Cecelia D. Stewart. The board has determined that all members are financially literate and have "accounting or related financial management expertise", in accordance with the listing standards of the NYSE.

Pursuant to the requirements of the NYSE, the U.S. Cellular board of directors affirmatively determined that each member of the Audit Committee has no material relationship with U.S. Cellular, 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 U.S. Cellular or 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.

Such relevant facts and circumstances included the following: None of such persons is, or has been within the last three years, an employee or officer of U.S. Cellular or the TDS Consolidated Group. None of such persons has any direct or indirect business relationships and/or fee arrangements with the TDS Consolidated Group. None of such persons receives, or has received within the last three years, any compensation from the TDS Consolidated Group, except compensation for his services as a director and member of board committees of U.S. Cellular and except for post-retirement benefits and payments as permitted under NYSE listing standards. None of such persons has any other relationship or arrangement with the TDS Consolidated Group except in his or her capacity as a director and member of board committees of U.S. Cellular.

Each of such persons qualifies as independent under NYSE listing standards and each of such persons qualifies as independent because (i) none of such persons receives any compensatory fee from any member of the TDS Consolidated Group (not including permitted compensation for his or her services as a director and member of board committees of U.S. Cellular or permitted post-retirement benefits and payments); and (ii) none of such persons is an "affiliated person" (as defined by the SEC) with respect to any member of the TDS Consolidated Group (because none of such persons is an executive officer, or the beneficial owner of more than 10% of any class of voting equity security, of any member of the TDS Consolidated Group). None of such persons is an "immediate family member" (pursuant to NYSE listing standards) of any person who is not independent. None of the relationships and/or fee arrangements which such persons have with the TDS Consolidated Group impair the independence of such persons for service on the Audit Committee.

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

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

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member or members as an "audit committee financial expert" shall in no way affect the duties, obligations or liability of any member of the audit committee, or the board, not so designated.

The Audit Committee held eight meetings during 2018. Certain of these meetings were joint meetings with the TDS audit committee, which regularly meets with the U.S. Cellular Audit Committee.

Pre-Approval Procedures

The Audit Committee has adopted a policy which provides all audit and non-audit services provided by U.S. Cellular's principal independent registered public accounting firm must be pre-approved by the Audit Committee and that none of those services can be prohibited by the Sarbanes Oxley Act of 2002 or rules issued thereunder. Non-prohibited audit related services and certain tax and other services can be provided to U.S. Cellular, subject to such pre-approval process and prohibitions. The Audit Committee has delegated to the chairperson of the Audit Committee the authority to pre-approve specific services subject to specified dollar limits. 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 for related-party transactions between officers, directors, and principal shareholders and the company. The term "related person" includes any director or executive officer of U.S. Cellular, any nominee for director, any beneficial owner of more than five percent of any class of U.S. Cellular's voting securities, and any immediate family member of such persons. In general, "related party transactions" would include transactions required to be disclosed in U.S. Cellular's 2019 Proxy Statement such as any financial transaction, arrangement, or relationship (including any indebtedness or guarantee of indebtedness) or a series of transactions, that has taken place since the beginning of U.S. Cellular's last fiscal year or any currently proposed transaction in which: (1) U.S. Cellular was or is to be a participant, (2) the amount involved exceeds \$120,000 and (3) any "related person" had or will have a direct or indirect material interest in the transaction during any part of the fiscal year.

Other than the NYSE requirement, U.S. Cellular has no related party policies and procedures relating to (i) the types of transactions that are covered by such policies and procedures; (ii) the standards to be applied pursuant to such policies and procedures; or (iii) the persons or groups of persons on the board of directors or otherwise who are responsible for applying such policies and procedures.

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

Compensation Committee

Under NYSE listing standards, U.S. Cellular is a controlled company and not required to have an independent compensation committee. As a result, U.S. Cellular does not have a formal compensation committee and instead LeRoy T. Carlson, Jr. functions as the compensation committee for all matters not within the authority of the LTICC. Mr. Carlson does not operate with a charter. Kenneth R. Meyers, in consultation with Mr. Carlson, reviews and sets the cash compensation for Named Executive Officers (NEOs) other than himself. See "Compensation Discussion and Analysis" and "Compensation Committee Interlocks and Insider Participation" for further information.

Long-term equity compensation for executive officers is approved by the LTICC.

Long-Term Incentive Compensation Committee

Although it is not required to do so under NYSE listing standards, U.S. Cellular has a LTICC comprised solely of directors who qualify as independent. The members are Gregory P. Josefowicz (chairperson), J. Samuel Crowley, Ronald E. Daly, and Cecelia D. Stewart. None of such members receive any compensation from the TDS Consolidated Group except permitted compensation for services as a U.S. Cellular director and committee member. Additionally, none of such members are affiliated with

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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. See Compensation Committee Interlocks and Insider Participation for further information.

The LTICC may delegate its power and authority to the Chairman or any U.S. Cellular executive officer except with respect to the long-term equity compensation of the persons identified as "Executive Officers". The LTICC has not delegated any authority with respect to the executive officers identified in this 2019 Proxy Statement.

U.S. Cellular's Human Resources Department supports the U.S. Cellular Chairman and the LTICC in their functions. U.S. Cellular also utilizes the services of a compensation consultant. See Compensation Discussion and Analysis below for information about U.S. Cellular's compensation consultant.

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

The LTICC held three meetings during 2018 and a copy of the LTICC charter is available on U.S. Cellular's website, www.uscellular.com, under Our Company Investor Relations Corporate Governance Board of Directors Long-Term Incentive Compensation Committee Long-Term Incentive Compensation Committee Charter.

Pricing Committee

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

Technology Advisory Group Committee

In 2015, the board of directors established the TAG Committee of the board of directors, to consist of directors who will participate in the TAG. The TAG Committee does not have a charter and its members are LeRoy T. Carlson, Jr. (chairperson), Ronald E. Daly, Gregory P. Josefowicz and Cecelia D. Stewart. The members of the TAG Committee are also members of the TDS Technology Advisory Group, which consists of representatives of the U.S. Cellular and TDS Boards of Directors along with senior technology executives of the two companies. The TDS Technology Advisory Group does not have authority to take action with respect to any technology matter, but serves solely in an informational and advisory role. The U.S. Cellular TAG Committee will report to the board of directors with respect to U.S. Cellular technology matters.

The purpose of the TDS Technology Advisory Group is to review, monitor and inform the board of directors on technology and related matters affecting TDS business units and its customers, along with its competitors and their customers.

The TAG Committee held three meetings during 2018.

Director Nomination Process

As a controlled company, U.S. Cellular is exempt from the requirement to have a corporate governance and nominating committee comprised solely of independent directors. U.S. Cellular does not have a corporate governance and nominating committee or charter. Instead, the entire board of directors participates in the consideration of director nominees.

Annually, the board of directors identifies and reviews the desired skills, backgrounds, and characteristics for potential new board members. In its annual board self-assessments, the full board of directors also considers its composition, and the composition of each of its committees, and discusses

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expertise that may be needed in the future. In connection with the nominations of directors for election, the board of directors considers the tenure, qualifications and expertise of all of the incumbent directors. The U.S. Cellular board of directors does not have any specific, minimum qualifications that it believes must be met by a nominee.

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

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

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

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

In general, in determining whether to nominate incumbent directors for re-election, the board of directors considers all facts and circumstances. Potential candidates are initially screened by the Chairman and by other persons whom the Chairman designates. Following this process, when appropriate, information about the candidate is presented to and discussed by the full board of directors.

From time to time, U.S. Cellular may pay a fee to an executive search firm to identify and evaluate or assist in identifying and evaluating potential candidates for election as directors. U.S. Cellular did not pay a fee in 2018 to a search firm relating to potential candidates for election as directors.

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Shareholder Communication with Directors

Shareholders or other interested parties may send communications to the U.S. Cellular board of directors, to the non-management directors, to the independent directors or to specified individual directors of U.S. Cellular at any time. Shareholders or other interested parties should direct their communication to such persons or group in care of the Secretary of U.S. Cellular, c/o Telephone and Data Systems, Inc., 30 N. LaSalle St., 40th Floor, Chicago IL 60602. Any shareholder or other communications related to proper board business that are addressed to the board of directors, the non-management directors, the independent directors or specified individual directors will be delivered by the Secretary to such persons or group.

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

Non-Management Directors

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

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

All directors are invited and encouraged to attend each annual meeting of shareholders, which is normally followed by a meeting of the board of directors. In general, all directors attend each annual meeting of shareholders unless they are unable to do so because of unavoidable commitments or intervening events. All of the directors, except for one director, attended the 2018 annual meeting.

Code of Ethics for Directors

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

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Below are other executive officers. The list does not include LeRoy T. Carlson, Jr., Kenneth R. Meyers, and Steven T. Campbell who are all executive officers and U.S. Cellular board members standing for reelection at the 2019 Annual Meeting. The age of the following persons is as of the date of this Proxy Statement.

Name	Age	Position with U.S. Cellular
Jay M. Ellison	66	Executive Vice President and Chief Operating Officer
Michael S. Irizarry	57	Executive Vice President and Chief Technology Officer Engineering and Information Services
Deirdre C. Drake	53	Executive Vice President Chief Human Resources Officer

Jay M. Ellison. Jay M. Ellison was appointed Executive Vice President and Chief Operating Officer in 2017. Prior to that, he was Executive Vice President-Operations since 2014 and prior to that Executive Vice President Sales and Customer Service since 2013. Prior to that, he had been retired since 2010. Prior to his retirement, he had been Executive Vice President and Chief Operating Officer of U.S. Cellular from 2005 through 2009. He first joined U.S. Cellular in 2000 as Executive Vice President Operations.

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

Deirdre C. Drake. Deirdre C. Drake was appointed Executive Vice President Chief Human Resources Officer in May, 2018. Prior to that she was Senior Vice President Chief Human Resources Officer since 2014. Prior to that, she was Managing Director and Chief Human Resources officer for Bank of Montreal Capital Markets between 2012 and 2014. Prior to that, she was Senior Vice President, Human Resources, of BMO Harris Bank, N.A., for more than five years.

All of the above officers identified in the table devote all of their employment time to the affairs of U.S. Cellular, except for LeRoy T. Carlson, Jr. who is employed by TDS but devotes a portion of his employment time to the affairs of U.S. Cellular.

Codes of Business Conduct and Ethics Applicable to Officers

As required by the NYSE, U.S. Cellular has adopted a Code of Business Conduct and Ethics for Officers and Directors that also complies with the definition of a "code of ethics" as set by the SEC. In addition, U.S. Cellular has adopted a broad Code of Business Conduct that is applicable to all officers and employees of U.S. Cellular and its subsidiaries. U.S. Cellular intends to satisfy the disclosure requirement regarding any amendment to any of the foregoing codes by posting such information to U.S. Cellular's website. Any waivers of any of the foregoing codes for directors or executive officers will be approved by U.S. Cellular's board of directors or an authorized committee thereof, as applicable, and disclosed in a filing with the SEC. There were no such waivers in 2018.

The Officer & Director Code of Conduct and the Code of Conduct can both be found on U.S. Cellular's website, www.uscellular.com, Investor Relations, Corporate Governance.

U.S. Cellular intends to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding any amendment to any of the foregoing codes by posting such information to U.S. Cellular's website. Any waivers of any of the foregoing codes for directors or executive officers will be approved by U.S. Cellular's board of directors or an authorized committee thereof, as applicable, and disclosed in a Form 8-K that is filed with the SEC within four business days of such waiver. There were no such waivers in 2018.

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PROPOSAL 2
RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2019

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

In Proposal 2, we are requesting shareholders to ratify the selection of PwC as our independent registered public accounting firm for the fiscal year ending December 31, 2019.

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

Your board of directors unanimously recommends a vote FOR the approval of the ratification of PwC.

We anticipate continuing the services of PwC for the current fiscal year. Representatives of PwC are expected to make a statement at the Annual Meeting and respond to appropriate questions from shareholders.

Is this vote binding on the board of directors?

This vote is an advisory vote only and, therefore, it will not bind U.S. Cellular or our board of directors or Audit Committee. We are not required to obtain shareholder ratification of the selection of PwC as our independent registered public accounting firm by our Bylaws or otherwise. However, we have elected to seek such ratification by the affirmative vote of the holders of a majority of the votes cast by shares entitled to vote with respect to such matter at the 2019 Annual Meeting.

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

Should the shareholders fail to ratify the selection of PwC, the Audit Committee will review whether to retain such firm for the fiscal year ending December 31, 2019, subject to U.S. Cellular's obligations under the Intercompany Agreement.

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