

TELEPHONE AND DATA SYSTEMS, INC.

CORPORATE GOVERNANCE GUIDELINES¹

The Board of Directors of Telephone and Data Systems, Inc. (the “Company”) has adopted the following guidelines to promote the effective functioning of the Board and its committees.

1. Board Structure

1.1 It is the sense of the Board that its current size of 12 is appropriate for purposes of functioning efficiently. However, the shareholders or the Board may amend the Company’s bylaws or adopt a resolution to provide for a smaller or larger size if circumstances so warranted, subject to the Company’s Restated Certificate of Incorporation which provides that the number of directors shall not be less than three.

1.2 Directors are encouraged to limit to three the number of other public company boards on which they serve (excluding double counting of direct or indirect subsidiaries of a company), taking into account the potential time commitment of serving on these boards. Directors should also advise the Chairman of the Board in advance of accepting an invitation to serve on another for-profit company board.

1.3 The Company’s Restated Certificate of Incorporation provide that all members of the Board are elected annually, and that voting is not cumulative.

1.4 The Board does not believe it should establish term limits. Term limits hold the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into the Company and its operations. Each Director will be given a convenient opportunity annually to confirm his or her desire to continue as a Director.

2. Director Qualification Standards

2.1 Directors who are required to qualify as independent shall satisfy the applicable independence requirements set forth in the listing standards of each stock exchange on which the Company is listed, which are incorporated by reference herein.

2.2 Any additional qualifications for being nominated and for serving as a director may be set forth in the Company’s bylaws.

¹ As amended by the Board of Directors on August 20, 2014.

3. Director Responsibilities, Orientation and Continuing Education

3.1 The Board currently holds five regular meetings during the year, including a December meeting devoted principally to the review of the Company's proposed operating and capital budgets for the coming year. The Board also holds special meetings throughout the year, as necessary.

3.2 Directors are expected to attend Board meetings and meetings of Committees on which they serve, to spend the time needed and to meet as frequently as necessary to properly discharge their responsibilities. Written materials that are important to the Board's understanding of the business to be conducted at a meeting should be distributed to the Directors well in advance of the meeting to allow the Directors time to prepare for discussion at the meeting. Directors are expected to review these materials in advance of the meeting.

3.3 The Chairman of the Board will set the agenda for the Board meetings with the understanding that certain items necessary for appropriate Board oversight will be brought to the Board periodically for review and/or decision. Any Director may request that the Chairman of the Board include items on any meeting agenda.

3.4 To supplement the written materials distributed in advance of Board and Committee meetings, meetings will include presentations by management and, when appropriate, outside consultants, as well as sufficient time for a full discussion of the agenda items.

3.5 At least once each year, before or after a regularly scheduled Board meeting, the independent Directors will meet without non-independent Directors and management present.

3.6 The non-management Directors of the Company will meet at regularly scheduled executive sessions without management. "Non-management" Directors are all those who are not executive officers, and includes such Directors who are not independent by virtue of a material relationship, former status or family membership, or for any other reason. The Chairman of the Board will preside at all meetings of the non-management Directors. The Company's proxy statement will disclose that the Chairman of the Board is the presiding Director at such meetings, and will disclose a method for interested persons to communicate directly with the presiding Director.

3.7 Directors are expected to adhere to the Code of Ethics adopted by the Board. The proceedings and work of the Board and its committees are confidential and each Director is expected to maintain the confidentiality of information received in connection with performing his or her role as Director.

3.8 New Directors will receive a comprehensive orientation from senior management of the Company regarding its business. In addition, particular

aspects of the Company's business will be presented from time to time as part of regular Board meetings. Individual Directors are strongly urged to participate in approved director education programs, the cost of which will be paid by the Company.

4. Director Compensation and Stock Ownership

4.1 Directors' compensation is reviewed periodically. The Board's objective is to provide appropriate compensation, consistent with customary levels for companies of a similar size. Pursuant thereto, the Board has adopted the Compensation Plan for Non-Employee Directors, as amended.

4.2 Within three years after the date on which a Director first became a Director and thereafter for so long as each Director remains a Director of the Company, each Director shall own Series A Common Shares and/or Common Shares of the Company having a combined value of at least \$165,000. The Board will review this minimum ownership requirement periodically.

5. Board Resources and Access to Management and Independent Advisors

5.1 Directors will have full access to management of the Company to obtain information. Directors will use their judgment to ensure that any contacts are not disruptive to the operations of the Company, and are encouraged to make their requests for information through the Secretary.

5.2 Information regarding the Company's business and affairs will be provided to the Board on a regular basis by management of the Company.

5.3 The Board and each of its committees have the authority to retain such outside advisors as it deems appropriate. Prior to the retention of an outside advisor, the Board or the applicable committee is encouraged to establish a description of the work, and a budget and time schedule for performance of such work. The expense of retaining such advisors will be paid by the Company.

6. Annual Performance Evaluation

6.1 At least once each year the Board, under the leadership of the Chairman of the Board, will evaluate its performance and effectiveness as a Board. Similarly, each Committee of the Board will evaluate its performance and effectiveness.

7. Committees

7.1 The Board currently has three regular committees - the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee. The Board may, from time to time, eliminate or establish additional committees.

7.2 Committee members and chairs will be proposed by the Chairman of the Board and appointed annually by the Board.

7.3 Each of the regular committees will have a written charter setting forth its responsibilities. Such charters will be adopted by the Board taking into consideration, among other factors, the committee's recommendation.

7.4 The chair of each committee will report periodically to the Board on the activities of the committee.

8. Management Succession

8.1 In the event of the absence of the President and CEO or in the event of his or her inability or refusal to act as President and CEO for a continuous period of three months or in the event of his earlier death, resignation, removal or disqualification (a "permanent absence"), the Chairman of the Board will, automatically and without any action on the part of the Board of Directors or otherwise, succeed to and perform the duties of the President and CEO and, when so acting, will have all the powers of and be subject to all the restrictions placed upon the President and CEO set forth in the Company's bylaws. In the event of the permanent absence of both such persons, the vacancy in the position of President and CEO will be filled with a person who is selected by the Board of Directors.

9. Periodic Review

9.1 These guidelines will be reviewed and may be amended by the Board from time to time.