AUTOZONE INC
Form DEF 14A
October 24, 2011
Table of Contents

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant þ

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))
þ Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

AUTOZONE, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

þ No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials:

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Table of Contents

AUTOZONE, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

DECEMBER 14, 2011

What:	Annual Meeting of Stockholders
When:	December 14, 2011, 8:30 a.m. Central Standard Time
Where:	J. R. Hyde III Store Support Center 123 South Front Street Memphis, Tennessee
Stockholders will vote regarding:	Election of nine directors Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the 2012 fiscal year Advisory vote on executive compensation Advisory vote on the frequency of future advisory votes on executive compensation The transaction of other business that may be properly brought before the meeting
Record Date:	Stockholders of record as of October 17, 2011, may vote at the meeting.

By order of the Board of Directors,

Harry L. Goldsmith

Secretary

Memphis, Tennessee

October 24, 2011

We encourage you to vote by telephone or Internet, both of which are convenient, cost-effective and reliable alternatives to returning your proxy card by mail.

Table of Contents

TABLE OF CONTENTS

	Page
The Meeting	1
About this Proxy Statement	1
Information about Voting	1
Corporate Governance Matters	4
Independence	4
Board Leadership Structure	5
Board Risk Oversight	5
Corporate Governance Documents	6
Meetings and Attendance	6
Committees of the Board	7
Audit Committee	7
Audit Committee Report	8
Compensation Committee	8
Nominating and Corporate Governance Committee	9
Director Nomination Process	10
Procedure for Communication with the Board of Directors	11
Compensation of Directors	11
Other Information	14
Security Ownership of Management and Board of Directors	14
Security Ownership of Certain Beneficial Owners	15
The Proposals	16
PROPOSAL 1 Election of Directors	16
Nominees	17
PROPOSAL 2 Ratification of Independent Registered Public Accounting Firm	19
PROPOSAL 3 Advisory Proposal on Executive Compensation	20
PROPOSAL 4 Advisory Proposal on Frequency of Advisory Vote on Executive Compensation	21
Other Matters	21
Executive Compensation	22
Compensation Discussion and Analysis	22
Compensation Committee Report	32
Compensation Committee Interlocks and Insider Participation	33
Compensation Program Risk Assessment	33
Summary Compensation Table	34
Grants of Plan-Based Awards	36
Outstanding Equity Awards at Fiscal Year-End	39
Option Exercises and Stock Vested	41
Pension Benefits	41
Nonqualified Deferred Compensation	43
Potential Payments upon Termination or Change in Control	44
Related Party Transactions	48
Equity Compensation Plans	49
Section 16(a) Beneficial Ownership Reporting Compliance	50
Stockholder Proposals for 2012 Annual Meeting	50
Annual Report	50

Table of Contents

AutoZone, Inc.

123 South Front Street

Memphis, Tennessee 38103

Proxy Statement

for

Annual Meeting of Stockholders

December 14, 2011

The Meeting

The Annual Meeting of Stockholders of AutoZone, Inc. will be held at AutoZone s offices, the J. R. Hyde III Store Support Center, 123 South Front Street, Memphis, Tennessee, at 8:30 a.m. CST on December 14, 2011.

About this Proxy Statement

Our Board of Directors has sent you this Proxy Statement to solicit your vote at the Annual Meeting. This Proxy Statement contains important information for you to consider when deciding how to vote on the matters brought before the Meeting. Please read it carefully.

In this Proxy Statement:

AutoZone, we, and the Company mean AutoZone, Inc.

Annual Meeting or Meeting means the Annual Meeting of Stockholders to be held on December 14, 2011, at 8:30 a.m. CST at the J. R. Hyde III Store Support Center, 123 South Front Street, Memphis, Tennessee.

Board means the Board of Directors of AutoZone, Inc.

AutoZone will pay all expenses incurred in this proxy solicitation. In addition to mailing this Proxy Statement to you, we have retained D.F. King & Co., Inc. to be our proxy solicitation agent for a fee of $10,000 plus expenses. We also may make additional solicitations in person, by telephone, facsimile, e-mail, or other forms of communication. Brokers, banks, and others who hold our stock for beneficial owners will be reimbursed by us for their expenses related to forwarding our proxy materials to the beneficial owners.

This Proxy Statement is first being sent or given to security holders on or about October 24, 2011.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON DECEMBER 14, 2011. This Proxy Statement and the annual report to security holders are available at www.autozoneinc.com.

Information about Voting

What matters will be voted on at the Annual Meeting?

At the Annual Meeting, stockholders will be asked to vote on the following proposals:

1. to elect nine directors;

2. to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the 2012 fiscal year;

3. to approve an advisory proposal on executive compensation;

Table of Contents

4. to vote on an advisory proposal to determine the frequency (whether every year, every two years or every three years) with which future advisory votes on executive compensation will be held.

Stockholders also will transact any other business that may be properly brought before the Meeting.

Who is entitled to vote at the Annual Meeting?

The record date for the Annual Meeting is October 17, 2011. Only stockholders of record at the close of business on that date are entitled to attend and vote at the Annual Meeting. The only class of stock that can be voted at the Meeting is our common stock. Each share of common stock is entitled to one vote on all matters that come before the Meeting. At the close of business on the record date, October 17, 2011, we had 39,888,099 shares of common stock outstanding.

How do I vote my shares?

You may vote your shares in person or by proxy:

By Proxy: You can vote by telephone, on the Internet or by mail. *We encourage you to vote by telephone or Internet, both of which are convenient, cost-effective, and reliable alternatives to returning your proxy card by mail.*

1. *By Telephone*: You may submit your voting instructions by telephone by following the instructions printed on the enclosed proxy card. If you submit your voting instructions by telephone, you do not have to mail in your proxy card.

2. *On the Internet*: You may vote on the Internet by following the instructions printed on the enclosed proxy card. If you vote on the Internet, you do not have to mail in your proxy card.

3. *By Mail*: If you properly complete and sign the enclosed proxy card and return it in the enclosed envelope, it will be voted in accordance with your instructions. The enclosed envelope requires no additional postage if mailed in the United States.

In Person: You may attend the Annual Meeting and vote in person. If you are a registered holder of your shares (if you hold your stock in your own name), you need only attend the Meeting. However, if your shares are held in an account by a broker, you will need to present a written consent from your broker permitting you to vote the shares in person at the Annual Meeting.

What if I have shares in the AutoZone Employee Stock Purchase Plan?

If you have shares in an account under the AutoZone Employee Stock Purchase Plan, you have the right to vote the shares in your account. To do this you must grant your proxy by telephone or over the Internet by following the instructions on the proxy card or you must sign and timely return the proxy card you received with this Proxy Statement.

How will my vote be counted?

Your vote for your shares will be cast as you indicate on your proxy card. If you sign your card without indicating how you wish to vote, your shares will be voted FOR our nominees for director, FOR Ernst & Young LLP as independent registered public accounting firm, FOR the advisory proposal on executive compensation, FOR approval of an annual frequency for future executive compensation votes, and in the proxies discretion on any other matter that may properly be brought before the Meeting or any adjournment of the Meeting.

The votes will be tabulated and certified by our transfer agent, Computershare. A representative of Computershare will serve as the inspector of election.

Table of Contents

Can I change my vote after I submit my proxy?

Yes, you may revoke your proxy at any time before it is voted at the Meeting by:

- giving written notice to our Secretary that you have revoked the proxy, or
- providing a later-dated proxy.

Any written notice should be sent to the Secretary at 123 South Front Street, Dept. 8074, Memphis, Tennessee 38103.

How many shares must be present to constitute a quorum for the Meeting?

Holders of a majority of the shares of the voting power of the Company s stock must be present in person or by proxy in order for a quorum to be present. If a quorum is not present at the scheduled time of the Annual Meeting, we may adjourn the Meeting, without notice other than announcement at the Meeting, until a quorum is present or represented. Any business which could have been transacted at the Meeting as originally scheduled can be conducted at the adjourned meeting.

Are there any agreements with stockholders concerning the Annual Meeting?

ESL Investments, Inc. and its affiliates (collectively, ESL), entered into an agreement with AutoZone dated as of June 25, 2008 (the ESL Agreement), in which ESL agreed to appear at each meeting of the stockholders of the Company and at each adjournment or postponement thereof, or otherwise cause all shares of AutoZone common stock owned by ESL to be counted as present for the purpose of establishing a quorum. ESL also agreed to vote its shares of AutoZone common stock in excess of 37.5% of the then-outstanding common stock in the same proportion as shares not owned by ESL are actually voted.

Under the terms of the ESL Agreement, the Company agreed to take certain actions with regard to the size and composition of the Board of Directors, including considering the potential appointment to the Board of two directors identified by ESL who were reasonably acceptable to a majority of the members of the Nominating and Corporate Governance Committee of the Board and were independent under the Company s Corporate Governance Principles and the rules of the New York Stock Exchange. William C. Crowley and Robert R. Grusky were identified by ESL and were appointed to the Board in accordance with the ESL Agreement in 2008 and have been re-elected by AutoZone s stockholders at each AutoZone Annual Meeting since that time. Both Messrs. Crowley and Grusky have been nominated for re-election at this Annual Meeting.

The ESL Agreement will continue in effect until the earliest of (a) the date upon which the common stock owned by ESL constitutes less than 25% of the then-outstanding shares of AutoZone common stock, (b) the date upon which the common stock owned by ESL exceeds 50% of the then-outstanding shares of AutoZone common stock, provided ESL has acquired additional shares representing above 10% of the then-outstanding shares subsequent to the date of the ESL Agreement, and (c) the date upon which the parties mutually agree in writing to terminate the ESL Agreement.

As of October 17, 2011, ESL was the beneficial holder of 11,633,760 shares of common stock, representing approximately 29.3% of the outstanding common stock. See Security Ownership of Certain Beneficial Owners on page 15 for more information about ESL s ownership of AutoZone common stock.

Table of Contents

Corporate Governance Matters

Independence

How many independent directors does AutoZone have?

Our Board of Directors has determined that eight of our current ten directors are independent: William C. Crowley, Sue E. Gove, Earl G. Graves, Jr., Robert R. Grusky, W. Andrew McKenna, George R. Mrkonic, Jr., Luis P. Nieto, Jr., and Theodore W. Ullyot. All of these directors meet the independence standards of our Corporate Governance Principles and the New York Stock Exchange listing standards.

How does AutoZone determine whether a director is independent?

In accordance with AutoZone s Corporate Governance Principles, a director is considered independent if the director:

has not been employed by AutoZone within the last five years;

has not been employed by AutoZone s independent auditor in the last five years;

is not, and is not affiliated with a company that is, an adviser, or consultant to AutoZone or a member of AutoZone s senior management;

is not affiliated with a significant customer or supplier of AutoZone;

has no personal services contract with AutoZone or with any member of AutoZone s senior management;

is not affiliated with a not-for-profit entity that receives significant contributions from AutoZone;

within the last three years, has not had any business relationship with AutoZone for which AutoZone has been or will be required to make disclosure under Rule 404(a) or (b) of Regulation S-K of the Securities and Exchange Commission as currently in effect;

receives no compensation from AutoZone other than compensation as a director;

is not employed by a public company at which an executive officer of AutoZone serves as a director;

has not had any of the relationships described above with any affiliate of AutoZone; and

is not a member of the immediate family of any person with any relationships described above.

The term affiliate as used above is defined as any parent or subsidiary entity included in AutoZone s consolidated group for financial reporting purposes.

In determining whether any business or charity affiliated with one of our directors did a significant amount of business with AutoZone, our Board has established that any payments from either party to the other exceeding 1% of either party s revenues would disqualify a director from being independent.

In determining the independence of our directors, the Board considers relationships involving directors and their immediate family members that are relevant under applicable laws and regulations, the listing standards of the New York Stock Exchange, and the standards contained in our Corporate Governance Principles (listed above). The Board relies on information from Company records and questionnaires completed annually by each director.

As part of its most recent independence determinations, the Board noted that AutoZone does not have, and did not have during fiscal 2011, significant commercial relationships with companies at which Board members served as officers or directors, or in which Board members or their immediate family members held an aggregate of 10% or more direct or indirect interest. The Board considered the fact that Mr. Crowley is the

Table of Contents

President and Chief Operating Officer of ESL Investments, Inc., which beneficially owns 29.3% of AutoZone s outstanding stock. ESL Investments, Inc., with its affiliates, is a substantial stockholder of Sears Holdings Corporation. During fiscal 2011, Sears Holdings Corporation did business with AutoZone in arm s length transactions which were not, individually or cumulatively, material to either AutoZone or Sears Holding Corporation.

The Board also reviewed donations made by the Company to not-for-profit organizations with which Board members or their immediate family members were affiliated by membership or service or as directors or trustees.

Based on its review of the above matters, the Board determined that none of Messrs. Crowley, Graves, Grusky, McKenna, Mrkonic, Nieto or Ullyot or Ms. Gove has a material relationship with the Company and that all of them are independent within the meaning of the AutoZone Corporate Governance Principles and applicable law and listing standards. The Board also determined that Mr. Rhodes is not independent since he is an employee of the Company and Messrs. Hyde and Rhodes are not independent because they serve on the boards of not-for-profit organizations which receive more than one percent (1%) of their revenues from the Company.

Board Leadership Structure

Our Board believes that having a combined Chairman/CEO, independent members and chairs for each of our Board committees and a Lead Director currently provides the best board leadership structure for AutoZone. This structure, together with our other corporate governance practices, provides strong independent oversight of management while ensuring clear strategic alignment throughout the Company. Our Lead Director is a non-employee director who is elected by the Board. Earl G. Graves, Jr., a director since 2002, currently serves as our Lead Director.

Our Lead Director:

- Chairs Board meetings when the Chairman is not present, including presiding at all executive sessions of the Board (without management present) at every regularly scheduled Board meeting;
- Works with management to determine the information and materials provided to Board members;
- Approves Board meeting agendas, schedules and other information provided to the Board;
- Consults with the Chairman on such other matters as are pertinent to the Board and the Company;
- Has the authority to call meetings of the independent directors;
- Is available for direct communication and consultation with major shareholders upon request; and
- Serves as liaison between the Chairman and the independent directors.

Board Risk Oversight

Oversight of risk management is a responsibility of the Board of Directors and is an integral part of the Board s oversight of AutoZone s business. AutoZone s management takes a variety of calculated risks in order to enhance Company performance and shareholder value. The primary responsibility for the identification, assessment and management of the various risks resides with AutoZone s management. The Board of Directors is primarily responsible for ensuring that management has established and adequately resourced processes for identifying and preparing the Company to manage risks effectively. Additionally, the Board reviews the Company s principal strategic and operating risks as part of its regular discussion and consideration of AutoZone s strategy and operating results. The Board also reviews periodically with the General Counsel legal matters that may have a material adverse impact on the Company s financial statements, the Company s compliance with laws and

any material reports received from regulatory agencies.

Table of Contents

The Audit Committee is involved in the Board s oversight of risk management. At each of its regular meetings, the Audit Committee reviews the Company s major financial exposures and the steps management has taken to identify, assess, monitor, control, remediate and report such exposures. The Audit Committee, along with management, also evaluates the effectiveness of the risk avoidance and mitigation processes in place. Such risk-related information is then summarized, reported and discussed at each quarterly Board of Directors meeting.

To assist with risk management and oversight, AutoZone has adopted the concept of enterprise risk assessment (ERM) using the framework issued in 2004 by the Committee of Sponsoring Organizations of the Treadway Commission. The Company s Vice President of Internal Audit, who reports directly to the Audit Committee, has been charged with leading the Company s ERM processes with the assistance of Company management. The Vice President of Internal Audit presents to the Audit Committee a comprehensive review of the Company s ERM processes annually. This presentation includes an overview of all significant risks that have been identified and assessed and the strategies developed by management for managing such risks. The Vice President of Internal Audit leads open discussions with the Audit Committee members to analyze the significance of the risks identified and to verify that the list is all-inclusive. Company management is also involved in these discussions to ensure that the Board gains a full understanding of the risks and the strategies that management has implemented to manage the risks.

Other Board committees also consider significant risks within their areas of responsibility. The Compensation Committee considers risk in connection with the design of AutoZone s compensation programs. The Nominating and Corporate Governance Committee oversees risks related to the Company s governance policies and practices.

Corporate Governance Documents

Our Board of Directors has adopted Corporate Governance Principles; charters for its Audit, Compensation, and Nominating & Corporate Governance Committees; a Code of Business Conduct & Ethics for directors, officers and employees of AutoZone; and a Code of Ethical Conduct for Financial Executives. Each of these documents is available on our corporate website at www.autozoneinc.com and is also available, free of charge, in print to any stockholder who requests it.

Meetings and Attendance

How many times did AutoZone s Board of Directors meet during the last fiscal year?

During the 2011 fiscal year, the Board of Directors held five meetings.

Did any of AutoZone s directors attend fewer than 75% of the meetings of the Board and their assigned committees?

All our directors attended at least 75% of the meetings of the Board and their assigned committees during the fiscal year.

What is AutoZone s policy with respect to directors attendance at the Annual Meeting?

As a general matter, all directors are expected to attend our Annual Meetings. At our 2010 Annual Meeting, all directors were present.

Do AutoZone s non-management directors meet regularly in executive session?

The non-management members of our Board regularly meet in executive sessions in conjunction with each regularly scheduled Board meeting. Our Lead Director, Mr. Graves, presides at these sessions.

Table of Contents

Committees of the Board

What are the standing committees of AutoZone s Board of Directors?

AutoZone s Board has three standing committees: Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee, each consisting only of independent directors.

Audit Committee

What is the function of the Audit Committee?

The Audit Committee is responsible for:

- the integrity of the Company s financial statements,
- the independent auditor s qualification, independence and performance,
- the performance of the Company s internal audit function, and
- the Company s compliance with legal and regulatory requirements.

The Audit Committee performs its duties by:

- evaluating, appointing or dismissing, determining compensation for, and overseeing the work of the independent public accounting firm employed to conduct the annual audit, which reports to the Audit Committee;
- pre-approving all audit and permitted non-audit services performed by the independent auditor, considering issues of auditor independence;
- conducting periodic reviews with Company officers, management, independent auditors, and the internal audit function;
- reviewing and discussing with management and the independent auditor the Company s annual audited financial statements, quarterly financial statements, internal controls report and the independent auditor s attestation thereof, and other matters related to the Company s financial statements and disclosures;
- overseeing the Company s internal audit function;
- reporting periodically to the Board and making appropriate recommendations; and
- preparing the report of the Audit Committee required to be included in the annual proxy statement.

Who are the members of the Audit Committee?

The Audit Committee consists of Ms. Gove, Mr. McKenna (Chair), Mr. Mrkonic, and Mr. Nieto.

Are all of the members of the Audit Committee independent?

Yes, the Audit Committee consists entirely of independent directors under the standards of AutoZone s Corporate Governance Principles and the listing standards of the New York Stock Exchange.

Does the Audit Committee have an Audit Committee Financial Expert?

The Board has determined that Ms. Gove, Mr. McKenna, Mr. Mrkonic and Mr. Nieto each meet the qualifications of an audit committee financial expert as defined by the Securities and Exchange Commission. All members of the Audit Committee meet the New York Stock Exchange definition of financial literacy.

Table of Contents

How many times did the Audit Committee meet during the last fiscal year?

During the 2011 fiscal year, the Audit Committee held nine meetings.

Where can I find the charter of the Audit Committee?

The Audit Committee s charter is available on our corporate website at www.autozoneinc.com and is also available, free of charge, in print to any stockholder who requests it.

Audit Committee Report

The Audit Committee of AutoZone, Inc. has reviewed and discussed AutoZone s audited financial statements for the year ended August 27, 2011, with AutoZone s management. In addition, we have discussed with Ernst & Young LLP, AutoZone s independent registered public accounting firm, the matters required to be discussed by Statement on Auditing Standards No. 61, *Communications with Audit Committees*, as amended and as adopted by the Public Company Accounting Oversight Board (PCAOB) in Rule 3200T, the Sarbanes-Oxley Act of 2002, and the charter of the Committee.

The Committee also has received the written disclosures and the letter from Ernst & Young LLP required by the applicable requirements of the PCAOB regarding the firm s communications with the Audit Committee concerning independence, and we have discussed with Ernst & Young LLP their independence from the Company and its management. The Committee has discussed with AutoZone s management and the auditing firm such other matters and received such assurances from them as we deemed appropriate.

As a result of our review and discussions, we have recommended to the Board of Directors the inclusion of AutoZone s audited financial statements in the annual report for the fiscal year ended August 27, 2011, on Form 10-K for filing with the Securities and Exchange Commission.

While the Audit Committee has the responsibilities and powers set forth in its charter, the Audit Committee does not have the duty to plan or conduct audits or to determine that AutoZone s financial statements are complete, accurate, or in accordance with generally accepted accounting principles; AutoZone s management and the independent auditor have this responsibility. Nor does the Audit Committee have the duty to assure compliance with laws and regulations and the policies of the Board of Directors.

W. Andrew McKenna (Chair)

Sue E. Gove

George R. Mrkonic, Jr.

Luis P. Nieto

The above Audit Committee Report does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other Company filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent the Company specifically incorporates this Report by reference therein.

Compensation Committee

What is the function of the Compensation Committee?

The Compensation Committee has the authority, based on its charter and the AutoZone Corporate Governance Principles, to:

review and approve AutoZone s compensation objectives;

review and approve the compensation programs, plans and awards for executive officers, including recommending equity-based plans for stockholder approval;

Table of Contents

act as administrator as may be required by AutoZone s short- and long-term incentive plans and stock or stock-based plans; and

review the compensation of AutoZone s non-employee directors from time to time and recommend to the full Board any changes that the Compensation Committee deems necessary.

The Compensation Committee may appoint subcommittees from time to time with such responsibilities as it may deem appropriate; however, the committee may not delegate its authority to any other persons.

AutoZone s processes and procedures for the consideration and determination of executive compensation, including the role of the Compensation Committee and compensation consultants, are described in the Compensation Discussion and Analysis on page 22.

Who are the members of the Compensation Committee?

The Compensation Committee consists of Mr. Graves (Chair), Mr. Grusky, Mr. Mrkonic and Mr. Ullyot, all of whom are independent directors under the standards of AutoZone s Corporate Governance Principles and the listing standards of the New York Stock Exchange.

How many times did the Compensation Committee meet during the last fiscal year?

During the 2011 fiscal year, the Compensation Committee held six meetings.

Where can I find the charter of the Compensation Committee?

The Compensation Committee s charter is available on our corporate website at www.autozoneinc.com and is also available, free of charge, in print to any stockholder who requests it.

Nominating and Corporate Governance Committee

What is the function of the Nominating and Corporate Governance Committee?

The Nominating and Corporate Governance Committee ensures that:

qualified candidates are presented to the Board of Directors for election as directors;

the Board of Directors has adopted appropriate corporate governance principles that best serve the practices and objectives of the Board of Directors; and

AutoZone s Articles of Incorporation and Bylaws are structured to best serve the interests of the stockholders.

Who are the members of the Nominating and Corporate Governance Committee?

The Nominating and Corporate Governance Committee consists of Mr. Crowley, Ms. Gove (Chair) and Mr. Nieto, all of whom are independent directors under the standards of AutoZone s Corporate Governance Principles and the listing standards of the New York Stock Exchange.

How many times did the Nominating and Corporate Governance Committee meet during the last fiscal year?

During the 2011 fiscal year, the Nominating and Corporate Governance Committee held four meetings.

Where can I find the charter of the Nominating and Corporate Governance Committee?

The Nominating and Corporate Governance Committee s charter is available on our corporate website at www.autozoneinc.com and is also available, free of charge, in print to any stockholder who requests it.

Table of Contents

Director Nomination Process

What is the Nominating and Corporate Governance Committee s policy regarding consideration of director candidates recommended by stockholders? How do stockholders submit such recommendations?

The Nominating and Corporate Governance Committee s policy is to consider director candidate recommendations from stockholders if they are submitted in writing to AutoZone s Secretary in accordance with the procedure set forth in Article III, Section 1 of AutoZone s Fifth Amended and Restated Bylaws (Bylaws), including biographical and business experience information regarding the nominee and other information required by said Article III, Section 1. Copies of the Bylaws will be provided upon written request to AutoZone s Secretary and are also available on AutoZone s corporate website at www.autozoneinc.com.

What qualifications must a nominee have in order to be recommended by the Nominating and Corporate Governance Committee for a position on the Board?

The Board believes each individual director should possess certain personal characteristics, and that the Board as a whole should possess certain core competencies. Such personal characteristics are integrity and accountability, informed judgment, financial literacy, mature confidence, high performance standards, and passion. They should also have demonstrated the confidence to be truly independent, as well as be business savvy, have an owner orientation and have a genuine interest in AutoZone. Core competencies of the Board as a whole are accounting and finance, business judgment, management expertise, crisis response, industry knowledge, international markets, strategy and vision. These characteristics and competencies are set forth in more detail in AutoZone s Corporate Governance Principles, which are available on AutoZone s corporate website at www.autozoneinc.com.

How does the Nominating and Corporate Governance Committee identify and evaluate nominees for director?

Prior to each annual meeting of stockholders at which directors are to be elected, the Nominating and Corporate Governance Committee considers incumbent directors and other qualified individuals, if necessary, as potential director nominees. In evaluating a potential nominee, the Nominating and Corporate Governance Committee considers the personal characteristics described above, and also reviews the composition of the full Board to determine the areas of expertise and core competencies needed to enhance the function of the Board. The Nominating and Corporate Governance Committee may also consider other factors such as the size of the Board, whether a candidate is independent, how many other public company directorships a candidate holds, and the listing standards requirements of the New York Stock Exchange.

The Nominating and Corporate Governance Committee recognizes the importance of selecting directors from various backgrounds and professions in order to ensure that the Board as a whole has a variety of experiences and perspectives which contribute to a more effective decision-making process. The Board does not have a specific diversity policy, but considers diversity of race, ethnicity, gender, age, cultural background and professional experiences in evaluating candidates for Board membership.

The Nominating and Corporate Governance Committee uses a variety of methods for identifying potential nominees for director. Candidates may come to the attention of the Nominating and Corporate Governance Committee through current Board members, stockholders or other persons. The Nominating and Corporate Governance Committee may retain a search firm or other consulting firm from time to time to identify potential nominees. Nominees recommended by stockholders in accordance with the procedure described above, i.e., submitted in writing to AutoZone s Secretary, accompanied by the biographical and business experience information regarding the nominee and the other information required by Article III, Section 1 of the Bylaws, will receive the same consideration as the Nominating and Corporate Governance Committee s other potential nominees.

Table of Contents

Procedure for Communication with the Board of Directors

How can stockholders and other interested parties communicate with the Board of Directors?

Stockholders and other interested parties may communicate with the Board of Directors by writing to the Board, to any individual director or to the non-management directors as a group c/o Secretary, AutoZone, Inc., 123 South Front Street, Dept. 8074, Memphis, Tennessee 38103. All such communications will be forwarded unopened to the addressee. Communications addressed to the Board of Directors or to the non-management directors as a group will be forwarded to the Chair of the Nominating and Corporate Governance Committee and communications addressed to a committee of the Board will be forwarded to the chair of that committee.

Compensation of Directors

Director Compensation Table

This table shows the compensation paid to our non-employee directors during the 2011 fiscal year. No amounts were paid to our non-employee directors during the 2011 fiscal year that would be classified as Option Awards, Non-Equity Incentive Plan Compensation, Changes in Pension Value and Nonqualified Deferred Compensation Earnings or All Other Compensation, so these columns have been omitted from the table.

Name(1)	Fees Earned or Paid in Cash ($) (2)	Stock Awards ($) (3)	Total ($) (4)
William C. Crowley	6,804	156,601	163,405
Sue E. Gove	7,589	164,621	172,210
Earl G. Graves, Jr.	7,576	176,242	183,818
Robert R. Grusky	12,611	162,569	175,180
J.R. Hyde, III	6,725	156,671	163,396
W. Andrew McKenna	8,521	173,244	181,765
George R. Mrkonic, Jr.	6,725	157,921	164,646
Luis Nieto	12,608	166,299	178,907
Theodore W. Ullyot	13,236	163,182	176,418

(1) William C. Rhodes, III, our Chairman, President and Chief Executive Officer, serves on the Board but does not receive any compensation for his service as a director. His compensation as an employee of the Company is shown in the Summary Compensation Table on page 34.

(2) Under the AutoZone, Inc. 2003 Director Compensation Plan (the 2003 Plan), which was in effect through December 31, 2010, non-employee directors received at least 50% of their annual retainer fees and committee chair fees in AutoZone common stock or in Stock Units (units with value equivalent to the value of shares of AutoZone common stock as of the grant date). They could elect to receive up to 100% of the fees in stock and/or to defer all or part of the fees in Stock Units. This column represents the 50% of the fees that were paid in cash or which the director elected to receive in stock or Stock Units during fiscal 2011, and any cash paid in lieu of fractional shares under the 2003 Plan. The stock and Stock Unit amounts reflect the aggregate grant date fair value computed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718. See Note B, Share-Based Payments, to our consolidated financial statements in our Annual Report on Form 10-K for the year ended August 27, 2011 (2011 Annual Report) for a discussion of our accounting for share-based awards and the assumptions used. The other 50% of the fees, which were required to be paid in stock or Stock Units, are included in the amounts in the Stock Awards column.

Table of Contents

(3) Under the 2011 Equity Plan, as defined below, which became effective January 1, 2011, non-employee directors receive 100% of their fees in restricted units with value equivalent to the value of shares of AutoZone Common Stock (Restricted Stock Units). The Stock Awards column represents the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 for awards of common stock under the 2003 Plan and awards of Restricted Stock Units under the 2011 Equity Incentive Award Plan during fiscal 2011. See Note B, Share-Based Payments, to our consolidated financial statements in our 2011 Annual Report for a discussion of our accounting for share-based awards and the assumptions used. The aggregate number of outstanding Stock Units and Restricted Stock Units held by each director at the end of fiscal 2011 are shown in the following footnote 4. See Security Ownership of Management and Board of Directors on page 14 for more information about our directors stock ownership.

(4) As of August 27, 2011, each non-employee director had the following aggregate number of outstanding Stock Units, Restricted Stock Units and stock options:

Director	Stock Units (#)	Restricted Stock Units (#)	Stock Options* (#)
William C. Crowley		533	9,526
Sue E. Gove	280	560	14,215
Earl G. Graves, Jr.	3,417	600	19,000
Robert R. Grusky	251	533	7,526
J.R. Hyde, III	7,505	533	27,000
W. Andrew McKenna	4,247	587	27,000
George R. Mrkonic, Jr.	1,405	538	15,857
Luis P. Nieto	1,136	547	7,412
Theodore W. Ullyot	1,468	533	5,078

* Includes vested and unvested stock options.

Narrative Accompanying Director Compensation Table

Current Compensation Structure

The following describes AutoZone s current director compensation program, which became effective January 1, 2011:

Annual Retainer Fees. Non-employee directors receive an annual retainer fee of $200,000 (the Annual Retainer). The lead director and the chair of the Audit Committee each receive an additional fee of $20,000 annually, the chairs of the Compensation Committee and the Nominating and Corporate Governance Committee each receive an additional fee of $5,000 per year, and the non-chair members of the Audit Committee each receive an additional fee of $5,000 per year (such fees, together with the Annual Retainer, the Retainer). There are no meeting fees.

Under the AutoZone, Inc. 2011 Equity Incentive Award Plan (the 2011 Equity Plan), which replaced the 2003 Director Compensation Plan and the 2003 Director Stock Option Plan, a non-employee director receives the Retainer in Restricted Stock Units, which are contractual rights to receive in the future a share of AutoZone common stock. Restricted Stock Units become fully vested on the date they are issued and will become unrestricted as of the date that a non-employee director ceases to be a director of the Company (the Payment Date). Restricted Stock Units are paid in shares of AutoZone common stock as soon as practicable after the Payment Date, to be no later than the fifteenth day of the third month following the end of the tax year in which such Payment Date occurs, unless the director has elected to defer receipt.

The Retainer is payable in advance in equal quarterly installments on January 1, April 1, July 1, and October 1 of each year. The number of Restricted Stock Units granted each quarter is determined by dividing the amount of the Retainer by the fair market value of the shares as of the grant date.

Table of Contents

If a non-employee director is elected to the Board after the beginning of a calendar quarter, he or she receives a prorated Retainer based on the number of days remaining in the calendar quarter in which the date of the Board election occurs.

Compensation Structure Prior to January 1, 2011

Under the previous director compensation program utilizing the 2003 Director Compensation Plan and the 2003 Director Stock Option Plan, as defined below, directors could select at the beginning of each calendar year between two pay alternatives. A director electing the first alternative received an annual base retainer fee of $40,000 (the Base Retainer). A director electing the second alternative received, in addition to the Base Retainer, an annual supplemental retainer fee in the amount of $35,000 (the Supplemental Retainer), for a total retainer of $75,000, but received a smaller annual stock option award under the 2003 Director Stock Option Plan as explained below. There were no meeting fees. The chair of the Audit Committee received an additional fee of $10,000 annually, and the chairs of the Compensation Committee and the Nominating and Corporate Governance Committee each received an additional fee of $5,000 per year.

Under the AutoZone, Inc. First Amended and Restated 2003 Director Compensation Plan (the 2003 Director Compensation Plan), a non-employee director could receive no more than one-half of the annual fees in cash the remainder had to be taken in AutoZone common stock. The director could elect to receive up to 100% of the fees in stock or to defer all or part of the fees in units with value equivalent to the value of shares of AutoZone Common Stock (Stock Units). Unless deferred, the annual fees were payable in advance in equal quarterly installments on September 1, December 1, March 1, and June 1 of each year, at which time each director received cash and/or shares of common stock in the amount of one-fourth of the annual fees. The number of shares issued was determined by dividing the amount of the fee payable in shares by the fair market value of the shares as of the grant date.

If a director deferred any portion of the annual fees in the form of Stock Units, then on September 1, December 1, March 1, and June 1 of each year, AutoZone credited a unit account maintained for the director with a number of Stock Units determined by dividing the amount of the fees by the fair market value of the shares as of the grant date. Upon the director s termination of service, he or she will receive the number of shares of common stock with which his or her unit account is credited, either in a lump sum or installments, as elected by the director under the 2003 Director Compensation Plan.

Under the AutoZone, Inc. First Amended and Restated 2003 Director Stock Option Plan (the 2003 Director Stock Option Plan), directors who elected to be paid only the Base Retainer received, on January 1 during their first two years of service as a director, an option to purchase 3,000 shares of AutoZone common stock. After the first two years, those directors received, on January 1 of each year, an option to purchase 1,500 shares of common stock, and each such director who owned common stock or Stock Units worth at least five times the Base Retainer received an additional option to purchase 1,500 shares. Directors electing to be paid the Supplemental Retainer received, on January 1 during their first two years of service as a director, an option to purchase 2,000 shares of AutoZone common stock. After the first two years, such directors received, on January 1 of each year, an option to purchase 500 shares of common stock, and each such director who owned common stock or Stock Units worth at least five times the Base Retainer received an additional option to purchase 1,500 shares.

Stock option grants were made at the fair market value of the common stock as of the grant date, defined in the plan as the average of the highest and lowest prices quoted for the common stock on the New York Stock Exchange on the business day immediately prior to the grant date. They become fully vested and exercisable on the third anniversary of the date of grant, or the date on which the director ceases to be a director of AutoZone, whichever occurs first.

Stock options expire on the first to occur of (a) 10 years after the date of grant, (b) 90 days after the option holder s death, (c) 5 years after the date the option holder ceases to be an AutoZone director if he or she has become ineligible to be reelected as a result of reaching the term limits or mandatory retirement age specified in

Table of Contents

AutoZone s Corporate Governance Principles, (d) 30 days after the date that the option holder ceases to be an AutoZone director for reasons other than those listed in the foregoing clause (c), or (e) upon the occurrence of certain corporate transactions affecting AutoZone.

Predecessor Plans

The AutoZone, Inc. Second Amended and Restated Director Compensation Plan and the AutoZone, Inc. Fourth Amended and Restated 1998 Director Stock Option Plan were terminated in December 2002 and were replaced by the 2003 Director Compensation Plan and the 2003 Director Stock Option Plan. The 2003 Director Compensation Plan and the 2003 Director Stock Option Plan were terminated in December 2010 and replaced by the 2011 Equity Plan. However, grants made under those plans continue in effect under the terms of the grant made and are included in the aggregate awards outstanding shown above.

Stock Ownership Requirement

The Board has established a stock ownership requirement for non-employee directors. Within three years of joining the Board, each director must personally invest at least $150,000 in AutoZone stock. Shares, Stock Units and Restricted Stock Units issued under the AutoZone, Inc. Second Amended and Restated Director Compensation Plan, the 2003 Director Compensation Plan and the 2011 Equity Plan count toward this requirement.

OTHER INFORMATION

Security Ownership of Management and Board of Directors

This table shows the beneficial ownership of common stock by each director, the Principal Executive Officer, the Principal Financial Officer and the other three most highly compensated executive officers, and all current directors and executive officers as a group. Unless stated otherwise in the notes to the table, each person named below has sole authority to vote and invest the shares shown.

Name of Beneficial Owner	Shares	Deferred Stock Units(1)	Options(2)	Restricted Stock Units(3)	Total	Ownership Percentage
William C. Crowley(4)	11,687,801	0	3,526	0	11,691,327	29.3%
Sue E. Gove	58	280	8,215	724	9,277	*
Earl G. Graves, Jr.	0	3,417	13,000	776	17,193	*
Robert R. Grusky(5)	365	251	3,526	0	4,142	*
J. R. Hyde, III(6)	309,510	7,505	21,000	690	338,705	*
W. Andrew McKenna	14,371	4,247	21,000	759	40,377	*
George R. Mrkonic, Jr.	2,500	1,405	9,857	698	14,460	*
Luis P. Nieto	0	1,136	3,412	707	5,255	*
William C. Rhodes, III(7)	16,764	0	227,750	0	244,514	*
Theodore W. Ullyot(8)	70	1,468	1,500	690	3,728	*
William T. Giles	1,521	0	93,300	0	94,821	*
Robert D. Olsen	31,732	0	134,450	0	166,182	*
Harry L. Goldsmith(9)	21,486	0	109,150	0	130,636	*
Larry M. Roesel	412	0	30,750	0	31,162	*
All current directors and executive officers as a group (21 persons)	12,097,076	19,709	991,386	5,044	13,113,215	32.9%

* Less than 1%.

(1) Includes shares that may be acquired immediately upon termination as a director by conversion of Stock Units.

Table of Contents

(2) Includes shares that may be acquired upon exercise of stock options either immediately or within 60 days of October 17, 2011.

(3) Includes Restricted Stock Units that may be acquired within sixty (60) days of termination of service as a director.

(4) Mr. Crowley is the President and Chief Operating Officer of ESL Investments, Inc. which together with various of its affiliates owns and/or controls the voting or disposition of AutoZone common stock as shown in Security Ownership of Certain Beneficial Owners below. Mr. Crowley is also a current Director of AutoZone. Included in this number are 9,611 AutoZone shares held by Mr. Crowley over which he has sole voting power and 16,593 shares owned by Tynan LLC, which Mr. Crowley has sole voting and dispositive power over these shares. Mr. Crowley has also reported beneficial ownership of 11,661,597 AutoZone shares beneficially owned by other members of the ESL Group, as defined below. See Footnote 1 to the table under the heading Security Ownership of Certain Beneficial Owners below. Does not include 690 Restricted Stock Units for which Mr. Crowley has elected to defer distribution until after termination of service as a director.

(5) Mr. Grusky is a passive, limited partner in ESL Partners, L.P., which together with various of its affiliates owns AutoZone common stock as shown in Security Ownership of Certain Beneficial Owners below. Mr. Grusky may be deemed to have indirect beneficial ownership of the AutoZone shares beneficially owned by the ESL Group, as defined below. Mr. Grusky disclaims beneficial ownership of the AutoZone shares held by the ESL Group, except to the extent of his pecuniary interest therein. Does not include 690 Restricted Stock Units for which Mr. Grusky has elected to defer distribution until after termination of service as a director.

(6) Includes 61,000 shares held by a charitable foundation for which Mr. Hyde is an officer and a director and for which he shares investment and voting power. Does not include 2,000 shares owned by Mr. Hyde s wife.

(7) Includes 1,090 shares held as custodian for Mr. Rhodes s children.

(8) Mr. Ullyot is a limited partner in RBS Partners, L.P., which together with various of its affiliates owns AutoZone common stock as shown in Security Ownership of Certain Beneficial Owners below. Mr. Ullyot was Executive Vice President and General Counsel of ESL Investments, Inc. from October 2005 until April 2008 and may be deemed to have indirect beneficial ownership of the AutoZone shares beneficially owned by the ESL Group, as defined below. Mr. Ullyot disclaims beneficial ownership of the AutoZone shares held by the ESL Group.

(9) Includes 1,200 shares held by trusts for which Mr. Goldsmith is a co-trustee and beneficiary and 200 shares held by trusts for Mr. Goldsmith s daughters.

Security Ownership of Certain Beneficial Owners

The following entities are known by us to own more than five percent of our outstanding common stock:

Name and Address of Beneficial Owner	Shares	Ownership Percentage
ESL Partners, L.P.(1)(2) 200 Greenwich Avenue Greenwich, CT 06830	11,691,327	29.3%

(1) The shares deemed beneficially owned by ESL Partners, L.P. are owned by a group (the ESL Group) consisting of ESL Partners, L.P., a Delaware limited partnership; ESL Institutional Partners, L.P., a Delaware limited partnership; ESL Investors, L.L.C., a Delaware limited liability company; Acres Partners, L.P., a Delaware limited partnership; RBS Partners, L.P., a Delaware limited partnership; ESL Investments, Inc., a Delaware corporation; Edward S. Lampert; Tynan, LLC, a Delaware limited liability company; William C. Crowley; and The Lampert Foundation. RBS Partners, L.P. is the general partner of ESL Partners, L.P. and the manager of ESL Investors, L.L.C. ESL Investments, Inc. is the general partner of RBS Partners, L.P. and Acres Partners, L.P. and is the managing member of RBS Investment Management, L.L.C. RBS Investment Management, L.L.C. is the general partner of ESL Institutional Partners, L.P.

Table of Contents

Mr. Lampert is the Chairman, Chief Executive Officer and a director of ESL Investments, Inc., and managing member of ESL Investment Management (GP) LLC, which is the General Partner of ESL Investment Management, L.P. Mr. Crowley is the manager of Tynan, LLC and the President and Chief Operating Officer of ESL Investments, Inc. Mr. Crowley is also a current Director of AutoZone. In their respective capacities, each of the foregoing may be deemed to be the beneficial owner of the shares of AutoZone common stock beneficially owned by other members of the ESL Group. ESL Partners, L.P. has sole voting and dispositive power for 5,103,875 shares; ESL Institutional Partners, L.P. has sole voting and dispositive power for 1,221 shares; ESL Investors, L.L.C. has sole voting and dispositive power for 1,706,815 shares; Acres Partners, L.P. has sole voting and dispositive power for 2,000,000 shares; RBS Partners, L.P. has sole voting and dispositive power for 6,810,690 shares; ESL Investments, Inc. has sole voting and dispositive power for 8,811,911 shares; Mr. Lampert has sole voting power for 11,661,597 shares and has sole dispositive power for 9,672,517 shares; Tynan LLC has sole voting power for 16,593 shares and sole dispositive power for 16,593 shares; and Mr. Crowley has sole voting power for 26,204 shares and has sole dispositive power for 16,593 shares. Mr. Lampert and Mr. Crowley are each party to an agreement with ESL Partners, L.P. that contains certain restrictions on disposition of shares. The source of this data is information supplied by the ESL Group at the request of the Company.

(2) As described in more detail on page 3, ESL has entered into an agreement with the Company that addresses, among other items, appearances at meetings of stockholders for the purposes of having a quorum, voting of ESL shares and the selection of nominees for the Company s Board of Directors. The latter obligation was satisfied at the Company s 2008 Annual Meeting.

THE PROPOSALS

PROPOSAL 1 Election of Directors

Nine directors will be elected at the Annual Meeting to serve until the annual meeting of stockholders in 2012. Pursuant to AutoZone s Fifth Amended and Restated Bylaws, in an uncontested election of directors, a nominee for director is elected to the Board if the number of votes cast for such nominee s election exceed the number of votes cast against such nominee s election. (If the number of nominees were to exceed the number of directors to be elected, i.e., a contested election, directors would be elected by a plurality of the votes cast at the Annual Meeting.) Pursuant to AutoZone s Corporate Governance Principles, incumbent directors must agree to tender their resignation if they fail to receive the required number of votes for re-election, and in such event the Board will act within 90 days following certification of the shareholder vote to determine whether to accept the director s resignation. These procedures are described in more detail in our Corporate Governance Principles, which are available on our corporate website at www.autozoneinc.com. The Board may consider any factors it deems relevant in deciding whether to accept a director s resignation. If a director s resignation offer is not accepted by the Board, that director will continue to serve until AutoZone s next annual meeting of stockholders or until his or her successor is duly elected and qualified, or until the director s earlier death, resignation, or removal.

Any director nominee who is not an incumbent director and who does not receive a majority vote in an uncontested election will not be elected as a director, and a vacancy will be left on the Board. The Board, in its sole discretion, may either fill a vacancy resulting from a director nominee not receiving a majority vote pursuant to the Bylaws or decrease the size of the Board to eliminate the vacancy.

Broker non-votes occur when shares held by a brokerage firm are not voted with respect to a proposal because the firm has not received voting instructions from the beneficial owner of the shares and the firm does not have the authority to vote the shares in its discretion. Shares abstaining from voting and shares as to which a broker non-vote occurs are considered present for purposes of determining whether a quorum exists, but are not considered votes cast or shares entitled to vote with respect to such matter. Accordingly, abstentions and broker non-votes will have no effect on the outcome of Proposal 1.

Table of Contents

The Board of Directors recommends that the stockholders vote FOR each of these nominees. These nominees have consented to serve if elected. Should any nominee be unavailable to serve, your proxy will be voted for the substitute nominee recommended by the Board of Directors, or the Board of Directors may reduce the number of directors on the Board.

Each of the nominees named below was elected a director at the 2010 annual meeting. Theodore W. Ullyot is not standing for re-election to the Board.

Nominees

The nominees are:

William C. Crowley, 54, has been a director since 2008. Mr. Crowley has been President and Chief Operating Officer of ESL Investments, Inc., a private investment firm, since January 1999. He served as Executive Vice President of Sears Holdings Corporation, a broadline retailer, from March 2005 until January 2011, and was a director from March 2005 until May 2010. Additionally, he served as Chief Administrative Officer of Sears Holdings Corporation from September 2005 until August 2010. Mr. Crowley also served as the Chief Financial Officer of Sears Holdings Corporation from March 2005 until September 2006 and from January 2007 until October 2007. Mr. Crowley has served as a director of Sears Canada, Inc. since March 2005 and as the Chairman of the Board of Sears Canada, Inc. since December 2006. From May 2003 until March 2005, Mr. Crowley served as director and Senior Vice President, Finance of Kmart Holding Corporation. Mr. Crowley is also a director of AutoNation, Inc. and Orchard Supply Hardware.

Experience, Skills and Qualifications: The Board believes Mr. Crowley is qualified to serve as a director of the Company based on his experience in retail operations, his background in corporate finance and investment banking, his knowledge of the automotive aftermarket industry, his board experience and his owner orientation, as well as his integrity, energy, and willingness to spend time on and interest in AutoZone.

Sue E. Gove, 53, has been a director since 2005. She has been the Executive Vice President and Chief Operating Officer of Golfsmith International Holdings, Inc. since September 2008 and has been Chief Financial Officer since March 2009. Ms. Gove previously had been a self-employed consultant since April 2006, serving clients in specialty retail and private equity. Ms. Gove was a consultant for Prentice Capital Management, LP from April 2007 to March 2008. She was a consultant for Alvarez and Marsal Business Consulting, L.L.C. from April 2006 to March 2007. She was Executive Vice President and Chief Operating Officer of Zale Corporation from 2002 to March 2006 and a director of Zale Corporation from 2004 to 2006. She was Executive Vice President, Chief Financial Officer of Zale Corporation from 1998 to 2002 and remained in the position of Chief Financial Officer until 2003.

Experience, Skills and Qualifications: The Board believes Ms. Gove is qualified to serve as a director of the Company based on her experience in executive retail operations and finance roles, her knowledge of accounting, financial reporting, and financial systems, her executive management skills, her owner orientation, and her board experience, as well as her integrity, energy, and willingness to spend time on and interest in AutoZone.

Earl G. Graves, Jr., 49, has been a director since 2002 and was elected Lead Director in January 2009. He has been the President and Chief Executive Officer of Earl G. Graves Publishing Company, publisher of Black Enterprise Magazine, since January 2006, and was President and Chief Operating Officer from 1998 to 2006. Mr. Graves has been employed by the same company in various capacities since 1988.

Experience, Skills and Qualifications: The Board believes Mr. Graves is qualified to serve as a director of the Company based on his business, management and strategic planning experience, his knowledge of advertising and marketing, his owner orientation, and his board experience, as well as his integrity, energy, and willingness to spend time on and interest in AutoZone.

Table of Contents

Robert R. Grusky, 54, has been a director since 2008. Mr. Grusky founded Hope Capital Management, LLC, an investment firm for which he serves as Managing Member, in 2000. He co-founded New Mountain Capital, LLC, a private equity firm, in 2000 and was a Principal, Managing Director and Member of New Mountain Capital from 2000 to 2005 and has been a Senior Advisor since then. From 1998 to 2000, Mr. Grusky served as President of RSL Investments Corporation, the primary investment vehicle for the Hon. Ronald S. Lauder. Prior thereto, Mr. Grusky also served in a variety of capacities at Goldman, Sachs & Co. in its Mergers & Acquisitions Department and Principal Investment Area. Mr. Grusky is also a director of AutoNation, Inc. and Strayer Education, Inc.

Experience, Skills and Qualifications: The Board believes Mr. Grusky is qualified to serve as a director of the Company based on his experience in investment management and investment banking, his knowledge of finance, his commercial experience/business analytical skills, his owner orientation, and his board experience, as well as his integrity, energy, and willingness to spend time on and interest in AutoZone.

J. R. Hyde, III, 68, has been a director since 1986 and was non-executive Chairman of the Board from 2005 until June 2007. He has been the President of Pittco, Inc., an investment company, since 1989 and has been the Chairman of the Board and a director of GTx, Inc., a biotechnology, pharmaceutical company since 2000. Mr. Hyde, AutoZone s founder, was AutoZone s Chairman from 1986 to 1997 and its Chief Executive Officer from 1986 to 1996. He was Chairman and Chief Executive Officer of Malone & Hyde, AutoZone s former parent company, until 1988. Mr. Hyde was a director of FedEx Corporation from 1977 to September 2011.

Experience, Skills and Qualifications: The Board believes Mr. Hyde, the founder and a former Chairman and Chief Executive Officer of AutoZone, is qualified to serve as a director of the Company based on his extensive knowledge of AutoZone s business and the automotive aftermarket industry, his expertise in strategic business development and executive management, his owner orientation, and his board experience as well as his integrity, energy, and willingness to spend time on and interest in AutoZone.

W. Andrew McKenna, 65, has been a director since 2000 and served as Lead Director from June 2007 through January 2009. He is retired. Until his retirement in 1999, he had held various positions with The Home Depot, Inc., including Senior Vice President Strategic Business Development from 1997 to 1999; President, Midwest Division from 1994 to 1997; and Senior Vice President Corporate Information Systems from 1990 to 1994. He was also President of SciQuest.com, Inc. in 2000. Mr. McKenna was a director of Danka Business Systems PLC from 2002 to 2008, serving as Chairman of the Board from March 2005 to March 2006. Mr. McKenna is also a director of Bally Technologies, a provider of gaming devices and systems.

Experience, Skills and Qualifications: The Board believes Mr. McKenna is qualified to serve as a director of the Company based on his executive experience in the retail industry and other industries, his expertise in strategic business development, his background in finance and audit, his owner orientation, and his board experience, as well as his integrity, energy, and willingness to spend time on and interest in AutoZone.

George R. Mrkonic, Jr., 59, has been a director since 2006. He has been the Non-Executive Chairman of Paperchase Products Limited, London, UK, a retailer of cards, stationery, wraps and gifts in the UK, Europe and the Middle East, since 2005, and has been a director since 1999. Previously, he was President of Borders Group, Inc. from 1994 to 1997 and Vice Chairman of Borders Group, Inc. from 1994 to 2002. He is also a director of Brinker International, Inc., Syntel, Inc. and Pacific Sunwear of California, Inc. Mr. Mrkonic was a director of Nashua Corporation from 2000 to 2009 and Guitar Center, Inc. from 2002 to 2007.

Table of Contents

Experience, Skills and Qualifications: The Board believes Mr. Mrkonic is qualified to serve as a director of the Company based on his experience as a senior executive in retail companies, his knowledge of corporate strategy, finance, and management, his owner orientation, and his board experience, as well as his integrity, energy, and willingness to spend time on and interest in AutoZone.

Luis P. Nieto, 56, has been a director since 2008. He is president of Nieto Advisory LLC which provides advisory services to small consumer food companies. He was president of the Consumer Foods Group of ConAgra Foods Inc., one of the largest packaged foods companies in North America, from 2008 until his retirement in June 2009. Previously, he was president of ConAgra Refrigerated Foods from 2006 to 2008 and ConAgra Meats from 2005 to 2006. Prior to joining ConAgra, Mr. Nieto was President and Chief Executive Officer of the Federated Group, a leading private label supplier to the retail grocery and foodservice industries from 2002 to 2005. From 2000 to 2002, he served as President of the National Refrigerated Products Group of Dean Foods Company. He held other positions at Dean Foods Group from 1998 to 2000. Prior to joining Dean Foods, Mr. Nieto held positions in brand management and strategic planning with Mission Foods, Kraft Foods and the Quaker Oats Company. Mr. Nieto is also a director of Ryder System, Inc.

Experience, Skills and Qualifications: The Board believes Mr. Nieto is qualified to serve as a director of the Company based on his expertise in brand management and marketing, including experience managing a diverse portfolio of brands and products, as well as his knowledge of finance and operations, his executive management experience, his owner orientation and his board experience, as well as his integrity, energy, and willingness to spend time on and interest in AutoZone.

William C. Rhodes, III, 46, was elected Chairman in June 2007. He has been President, Chief Executive Officer, and a director since 2005. Prior to his appointment as President and Chief Executive Officer, Mr. Rhodes was Executive Vice President Store Operations and Commercial. Prior to fiscal 2005, he had been Senior Vice President Supply Chain and Information Technology since fiscal 2002, and prior thereto had been Senior Vice President Supply Chain since 2001. Prior to that time, he served in various capacities within the Company, including Vice President Stores in 2000, Senior Vice President Finance and Vice President Finance in 1999 and Vice President Operations Analysis and Support from 1997 to 1999. Prior to 1994, Mr. Rhodes was a manager with Ernst & Young, LLP. Mr. Rhodes is a member of the Board of Directors of Dollar General Corporation.

Experience, Skills and Qualifications: The Board believes Mr. Rhodes, AutoZone s Chairman and Chief Executive Officer, is qualified to serve as a director of the Company based on his 16 years experience with the Company, which have included responsibility for corporate strategy, executive management, operations and supply chain; his knowledge and understanding of the automotive aftermarket and retail industries; his strong financial background and his owner orientation, as well as his integrity and energy.

PROPOSAL 2 Ratification of Independent Registered Public Accounting Firm

Ernst & Young LLP, our independent auditor for the past twenty-four fiscal years, has been selected by the Audit Committee to be AutoZone s independent registered public accounting firm for the 2012 fiscal year. Representatives of Ernst & Young LLP will be present at the Annual Meeting to make a statement if they so desire and to answer any appropriate questions.

The Audit Committee recommends that you vote FOR ratification of Ernst & Young LLP as AutoZone s independent registered public accounting firm.

For ratification, the firm must receive more votes in favor of ratification than votes cast against. Abstentions and broker non-votes will not be counted as voting either for or against the firm. However, the Audit Committee is not bound by a vote either for or against the firm. The Audit Committee will consider a vote against the firm by the stockholders in selecting our independent registered public accounting firm in the future.

Table of Contents

During the past two fiscal years, the aggregate fees for professional services rendered by Ernst & Young LLP were as follows:

	2011	2010
Audit Fees	$ 1,629,000	$ 1,477,000
Audit-Related Fees		
Tax Fees	110,571(1)	110,750(2)

(1) Tax fees for 2011 were for state and local tax services.

(2) Tax fees for 2010 were for state and local tax services.

The Audit Committee pre-approves all services performed by the independent registered public accounting firm under the terms contained in the Audit Committee charter, a copy of which can be obtained at our website at www.autozoneinc.com. The Audit Committee pre-approved 100% of the services provided by Ernst & Young LLP during the 2011 and 2010 fiscal years. The Audit Committee considers the services listed above to be compatible with maintaining Ernst & Young LLP s independence.

PROPOSAL 3 Advisory Vote on Executive Compensation Say-on-Pay

In accordance with Section 14A of the Securities Exchange Act, we are asking stockholders to approve the following advisory resolution on the compensation of our Principal Executive Officer, the Principal Financial Officer and our other three most highly paid executive officers (the Named Executive Officers) at the Annual Meeting:

RESOLVED, that the compensation paid to AutoZone s Named Executive Officers, as disclosed in this Proxy Statement pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the accompanying compensation tables and the related narrative discussion, is hereby APPROVED.

This advisory vote, commonly known as a say-on-pay proposal, gives our stockholders the opportunity to endorse or not endorse our executive pay program. The Board of Directors recommends a vote FOR this resolution because it believes that AutoZone s executive compensation program, described in the Compensation Discussion and Analysis, is effective in achieving the Company s goals of rewarding financial and operating performance and the creation of stockholder value.

Our Board of Directors and Compensation Committee believe that there should be a strong relationship between pay and corporate performance, and our executive compensation program reflects this belief. While the overall level and balance of compensation elements in our compensation program are designed to ensure that AutoZone can retain key executives and, when necessary, attract qualified new executives to the organization, the emphasis of AutoZone s compensation program is linking executive compensation to business results and intrinsic value creation, which is ultimately reflected in increases in stockholder value.

AutoZone sets challenging financial and operating goals, and a significant amount of an executive s annual cash compensation is tied to these objectives and therefore at risk payment is earned only if performance warrants it.

AutoZone s compensation program is intended to support long-term focus on stockholder value, so it emphasizes long-term rewards. At target levels, the majority of an executive officer s total compensation package each year is the potential value of his or her stock options, which yield value to the executive only if the stock price appreciates.

Our management stock ownership requirement effectively promotes meaningful and significant stock ownership by our Named Executive Officers and further aligns their interests with those of our stockholders.

20

Table of Contents

We urge you to read the Compensation Discussion and Analysis, as well as the Summary Compensation Table and related compensation tables and narrative, appearing on pages 22 through 48, which provide detailed information on our compensation philosophy, policies and practices and the compensation of our Named Executive Officers.

Because the vote on this proposal is advisory in nature, it is not binding on AutoZone, the Board of Directors or the Compensation Committee. The vote on this proposal will, therefore, not affect any compensation already paid or awarded to any Named Executive Officer and will not overrule any decisions made by the Board of Directors or the Compensation Committee. Because we highly value the opinions of our stockholders, however, the Board of Directors and the Compensation Committee will consider the results of this advisory vote when making future executive compensation decisions.

The Board of Directors recommends that the stockholders vote FOR this proposal.

PROPOSAL 4 Advisory Vote on the Frequency of Future Advisory Votes on Executive Compensation

In addition to the advisory vote on executive compensation or say-on-pay vote, we are also asking stockholders to cast an advisory vote on the frequency of that vote. Stockholders are being asked to vote on whether the advisory vote on executive compensation should be held every year, every two years or every three years.

The Board of Directors recommends holding the advisory vote on executive compensation every year. An annual vote would provide the Board with timely feedback from stockholders on executive compensation matters. An annual advisory vote is also consistent with our Compensation Committee s practice of monitoring both short- and long-term compensation program elements each year.

The proxy card gives you four choices for voting on this proposal. You can choose whether the say-on-pay vote should be held every year, every two years or every three years. You may also abstain from voting. You are not voting to approve or disapprove the Board s recommendation on this proposal.

The vote on this proposal is non-binding, and the final decision with respect to the frequency of future advisory votes on executive compensation remains with the Board of Directors. However, the Board values the opinions of our stockholders and will take into account the outcome of the vote in considering the frequency of future advisory votes on executive compensation.

In accordance with Securities and Exchange Commission rules, stockholders will have the opportunity at least every six years to recommend the frequency of future say-on-pay advisory votes on executive compensation.

The Board of Directors recommends that the stockholders vote to conduct future advisory votes on executive compensation EVERY YEAR.

Other Matters

We do not know of any matters to be presented at the Annual Meeting other than those discussed in this Proxy Statement. If, however, other matters are properly brought before the Annual Meeting, your proxies will be able to vote those matters in their discretion.

Table of Contents

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This Compensation Discussion and Analysis provides a principles-based overview of AutoZone s executive compensation program. It discusses our rationale for the types and amounts of compensation that our executive officers receive and how compensation decisions affecting these officers are made. It also discusses AutoZone s total rewards philosophy, the key principles governing our compensation program, and the objectives we seek to achieve with each element of our compensation program.

What are the Company s key compensation principles?

Pay for performance. The primary emphasis of AutoZone s compensation program is linking executive compensation to business results and intrinsic value creation, which is ultimately reflected in increases in stockholder value. Base salary levels are intended to be competitive in the U.S. marketplace for executives, but the more potentially valuable components of executive compensation are annual cash incentives, which depend on the achievement of pre-determined business goals, and to a greater extent, long-term compensation, which is based on the value of our stock.

Attract and retain talented AutoZoners. The overall level and balance of compensation elements in our compensation program are designed to ensure that AutoZone can retain key executives and, when necessary, attract qualified new executives to the organization. We believe that a company which provides quality products and services to its customers, and delivers solid financial results, will generate long-term stockholder returns, and that this is the most important component of attracting and retaining executive talent.

What are the Company s overall executive compensation objectives?

Drive high performance. AutoZone sets challenging financial and operating goals, and a significant amount of an executive s annual cash compensation is tied to these objectives and therefore at risk payment is earned only if performance warrants it.

Drive long-term stockholder value. AutoZone s compensation program is intended to support long-term focus on stockholder value, so it emphasizes long-term rewards. At target levels, the majority of an executive officer s total compensation package each year is the potential value of his or her stock options.

The table below illustrates how AutoZone s compensation program weights the at-risk components of its Named Executive Officers 2011 total compensation (using actual base earnings + fiscal 2011 annual cash incentive payment + the value of fiscal 2011 stock and option grants). While the values of Mr. Rhodes Performance-Restricted Stock Unit grant, and Mr. Olsen s restricted stock grant, are shown in the Summary Compensation Table at the full values in fiscal 2011, for the purposes of the table below we have divided the values of these one-time awards by the number of years over which they vest.

Executive	Base Salary	Annual Incentive	Long-Term Incentive	Total At-Risk
William C. Rhodes III	17%	34%	49%	83%
William T. Giles	23%	34%	43%	77%
Robert D. Olsen	31%	37%	32%	69%
Harry L. Goldsmith	22%	33%	45%	78%
Larry M. Roesel	23%	27%	50%	77%

Table of Contents

Who participates in AutoZone s executive compensation programs?

The Chief Executive Officer and the other Named Executive Officers, as well as the other senior executives comprising AutoZone s Executive Committee, participate in the compensation program outlined in this Compensation Discussion and Analysis. The Executive Committee consists of the Chief Executive Officer and officers with the title of senior vice president or executive vice president (a total of 11 executives at the end of fiscal 2011). However, many elements of the compensation program also apply to other levels of AutoZone management. The intent is to ensure that management is motivated to pursue, and is rewarded for achieving, the same financial, operating and stockholder objectives.

What are the key elements of the Company s overall executive compensation program?

The table below summarizes the key elements of AutoZone s executive compensation program and the objectives they are designed to achieve. More details on these elements follow throughout the Compensation Discussion and Analysis and this Proxy Statement, as appropriate.

Pay Element	Description	Objectives
Base salary	Annual fixed cash compensation.	Attract and retain talented executives. Recognize differences in relative size, scope and complexity of positions as well as individual performance over the long term.
Annual cash incentive	Annual variable pay tied to the achievement of key Company financial and operating objectives. The primary measures are: Earnings before interest and taxes, and Return on invested capital. Actual payout depends on the results achieved. Individual potential payout is capped at $4 million; however, payout is zero if threshold targets are not achieved. The Compensation Committee may reduce payouts in its discretion when indicated by individual performance, but does not have discretion to increase payouts.	Communicate key financial and operating objectives. Drive high levels of performance by ensuring that executives total cash compensation is linked to achievement of financial and operating objectives. Support and reward consistent, balanced growth and returns performance (add value every year) with demonstrable links to stockholder returns. Drive cross-functional collaboration and a total-company perspective.

Table of Contents

Pay Element	Description	Objectives
Stock options and other equity compensation	Senior executives receive a mix of non-qualified stock options (NQSOs) and incentive stock options (ISOs).	Align long-term compensation with stockholder results. Opportunities for significant wealth accumulation by executives are tightly linked to stockholder returns.
	All stock options are granted at fair market value on the grant date (discounted options are prohibited).	ISOs provide an incentive to hold shares after exercise, thus increasing ownership and further reinforcing the tie to stockholder results.
	AutoZone s equity compensation plan prohibits repricing of stock options and does not include a reload program.	Provide retention incentives to ensure business continuity, and facilitate succession planning and executive knowledge transfer.
	During fiscal 2011, a performance-restricted stock unit award, described in more detail below, was granted to the Chairman, President and Chief Executive Officer.	
	AutoZone may occasionally grant awards of restricted stock with time-based vesting (during fiscal 2011 one grant was awarded, to AutoZone s Corporate Development Officer).	
Stock purchase plans	AutoZone maintains a broad-based employee stock purchase plan (ESPP) which is qualified under Section 423 of the Internal Revenue Code. The Employee Stock Purchase Plan allows AutoZoners to make quarterly purchases of AutoZone shares at 85% of the fair market value on the first or last day of the calendar quarter, whichever is lower. The annual contribution limit under the ESPP is $15,000.	Allow all AutoZoners to participate in the growth of AutoZone s stock.
		Encourage ownership, and therefore alignment of executive and stockholder interests.
	The Company has implemented an Executive Stock Purchase Plan so that executives may continue to purchase AutoZone shares beyond the limit the IRS and the company set for the Employee Stock Purchase Plan. An executive may make purchases using up to 25% of his prior fiscal year s eligible compensation.	

Management stock ownership requirement	AutoZone implemented a stock ownership requirement during fiscal 2008 for executive officers.	Encourage ownership by requiring executive officers to meet specified levels of ownership.
	Covered executives must meet specified minimum levels of ownership, using a multiple of base salary approach.	Alignment of executive and stockholder interests.

Table of Contents

Pay Element	Description	Objectives
Retirement plans	The Company maintains three retirement plans:	Provide competitive executive retirement benefits.
	Non-qualified deferred compensation plan (including a frozen defined benefit restoration feature)	The non-qualified plan enables executives to defer base and incentive earnings up to 25% of the total, independent of the IRS limitations set for the qualified 401(k) plan.
	Frozen defined benefit pension plan, and	
	401(k) defined contribution plan.	The restoration component of the non-qualified plan, which was frozen at the end of 2002, allowed executives to accrue benefits that were not capped by IRS earnings limits.
Health and other benefits	Executives are eligible for a variety of benefits, including:	Provide competitive benefits.
	Medical, dental and vision plans;	Minimize perquisites while ensuring a competitive overall rewards package.
	Life and disability insurance plans; and	
	Charitable contribution match program.	

Annual cash compensation. Annual cash compensation consists of base salary and annual cash incentives.

Base Salary. Salaries are determined within the context of a targeted total cash compensation level for each position. Base salary is a fixed portion of the targeted annual cash compensation, with the specific portion varying based on differences in the size, scope or complexity of the jobs as well as the tenure and individual performance level of incumbents in the positions. Points are assigned to positions using a job evaluation system developed by Hay Group, a global management and human resources consulting firm, and AutoZone maintains salary ranges based on the job evaluations originally constructed with Hay Group s help. These salary ranges are usually updated annually based on broad-based survey data; in addition to Hay Group survey data, AutoZone uses surveys published by Mercer (US) and Aon Hewitt, among others, for this purpose, as discussed below.

The survey data used to periodically adjust salary ranges is broad-based, including data submitted by hundreds of companies. Examples of the types of information contained in salary surveys include summary statistics (e.g., mean, median, 25th percentile, etc.) related to:

- base salaries
- variable compensation

total annual cash compensation

long-term incentive compensation

total direct compensation

The salary surveys cover both the retail industry and compensation data on a broader, more general public company universe. Multiple salary surveys are used, so that ultimately the data represent hundreds of companies and positions and thousands of incumbents, or people holding those positions. The surveys generally list the participating companies, and for each position matched , the number of companies and incumbents associated with the position. Subscribers cannot determine which information comes from which company.

The salary ranges which apply to the Named Executive Officers, including the Principal Executive Officer, are part of the structure applicable to thousands of AutoZone s employees. AutoZone positions are each assigned to

Table of Contents

a salary grade. This is generally accomplished at the creation of a position, using the Hay job evaluation method, and jobs tend to remain in the same grade as long as there are no significant job content changes. Each grade in the current salary structure has a salary range associated with it. This range has a midpoint, to which we compare summary market salary data (generally median pay level) of the types discussed above.

Over time, as the median pay levels in the competitive market change, as evidenced by the salary survey data, AutoZone will make appropriate adjustments to salary range midpoints so that on average, these midpoints are positioned at roughly 95% of the market median value as revealed by the surveys. This positioning relative to the market allows for competitive base salary levels, while generally leaving actual average base pay slightly below the survey market level. This fits our stated philosophy of delivering competitive total rewards at or above the market median through performance-based variable compensation.

In making decisions related to compensation of the Named Executive Officers, the Compensation Committee uses the survey data and salary ranges as context in reviewing compensation levels and approving pay actions. Other elements that the Compensation Committee considers are individual performance, Company performance, individual tenure, position tenure, and succession planning. The Hay Group, Mercer (US) and Aon Hewitt surveys are utilized primarily to provide comparative data.

Annual Cash Incentive. Executive officers and certain other employees are eligible to receive annual cash incentives each fiscal year based on the Company s attainment of certain Company performance objectives set by the Compensation Committee at the beginning of the fiscal year. The annual cash incentive target for each position, expressed as a percentage of base salary, is based on both salary range and level within the organization, and therefore does not change annually. As a general rule, as an executive s level of management responsibility increases, the portion of his or her total compensation dependent on Company performance increases.

The threshold and target percentage amounts for the Named Executive Officers for fiscal 2011 are shown in the table below.

	Percentage of Base Salary	
Principal Position	**Threshold**	**Target**
Chairman, President & CEO	50%	100%
Executive Vice Presidents	37.5%	75%
All Other NEOs	30%	60%

Annual cash incentives for executive officers are paid pursuant to the AutoZone, Inc. 2010 Executive Incentive Compensation Plan (EICP), our performance-based short-term incentive plan. Pursuant to the plan, the Compensation Committee establishes incentive objectives at the beginning of each fiscal year. For more information about the EICP, see Discussion of Plan-Based Awards Table on page 37.

The actual incentive amount paid depends on Company performance relative to the target objectives. A minimum pre-established goal must be met in order for any incentive award to be paid, and the incentive award as a percentage of annual salary will increase as the Company achieves higher levels of performance.

The Compensation Committee may in its sole discretion reduce the incentive awards paid to Named Executive Officers. Under the EICP, the Compensation Committee may not exercise discretion in granting awards in cases where no awards are indicated, nor may the Compensation Committee increase any calculated awards. Any such positive discretionary changes, were they to occur, would be paid outside of the EICP and reported under the appropriate Bonus column in the Summary Compensation Table; however, the Compensation Committee has not historically exercised this discretion.

The Compensation Committee, as described in the EICP, may (but is not required to) disregard the effect of one-time charges and extraordinary events such as asset write-downs, litigation judgments or settlements, changes in tax laws, accounting principles or other laws or provisions affecting reported results, accruals for reorganization or restructuring, and any other extraordinary non-recurring items, acquisitions or divestitures and any foreign exchange gains or losses on the calculation of performance.

Table of Contents

The incentive objectives for fiscal 2011 were set in a September 2010 Compensation Committee meeting, and were based on the achievement of specified levels of earnings before interest and taxes (EBIT) and return on invested capital (ROIC), as were the incentive objectives for fiscal 2012, set during a Compensation Committee meeting held in September 2011. The total incentive award is determined based on the impact of EBIT and ROIC on AutoZone s economic profit for the year, rather than by a simple allocation of a portion of the award to achievement of the EBIT target and a portion to achievement of the ROIC target. EBIT and ROIC are key inputs to the calculation of economic profit (sometimes referred to as economic value added), and have been determined by our Compensation Committee to be important factors in enhancing stockholder value. If both the EBIT and ROIC targets are achieved, the result will be a 100%, or target, payout. However, the payout cannot exceed 100% unless the EBIT target is exceeded (i.e., unless there is excess EBIT to fund the additional incentive payout). Additionally, when the aggregate incentive amount is calculated, if the resulting payout amount in excess of target exceeds a specified percentage of excess EBIT (currently 20%), then the incentive payout will be reduced until the total amount of the incentive payment in excess of target is within that specified limit.

The specific targets are tied to achievement of the Company s operating plan for the fiscal year. In 2011, the target objectives were EBIT of $1,362.4 million and ROIC of 26.8%. The 2011 incentive awards for each named executive officer were based on the following performance:

(Amounts in MMs)	EBIT	ROIC
EICP Target	$ 1,362.4	26.8%
Actual (as adjusted)	$ 1,500.0	31.4%
Difference	$ 137.6	460bps

Effect of Performance on Total Annual Cash Compensation. Because AutoZone emphasizes pay for performance, it is only when the Company exceeds its target objectives that an executive s total annual cash compensation begins to climb relative to the median market level. Similarly, Company performance below target will cause an executive s total annual cash compensation to drop below market median. As discussed below, AutoZone does not engage in strict benchmarking of compensation levels, i.e., we do not use specific data to support precise targeting of compensation, such as setting an executive s base pay at the 50 percentile of an identified group of companies.

Stock compensation. To emphasize achievement of long-term stockholder value, AutoZone s executives receive a significant portion of their targeted total compensation in the form of stock options. Although stock options have potential worth at the time they are granted, they only confer actual value if AutoZone s stock price appreciates between the grant date and the exercise date. For this reason, we believe stock options are a highly effective long-term compensation vehicle to reward executives for creating stockholder value. We want our executives to realize total compensation levels well above the market norm, because when they do, such success is the result of achievement of Company financial and operating objectives that leads to growth in the per-share value of AutoZone common stock.

In order to support and facilitate stock ownership by our executive officers, a portion of their annual stock option grant typically consists of Incentive Stock Options (ISOs). If an executive holds the stock acquired upon exercise of an ISO for at least two years from the date of grant and one year from the date of exercise, he or she can receive favorable long-term capital gains tax treatment for all appreciation over the exercise price. (AutoZone cannot claim the gain on exercise as deductible compensation expense in this event). ISOs have a maximum term of ten years and vest in equal 25% increments on the first, second, third and fourth anniversaries of the grant date. They are granted at the fair market value on the date of grant as defined in the relevant stock option plan. There is a $100,000 limit on the aggregate grant value of ISOs that may become exercisable in any calendar year; consequently, the majority of options granted is in the form of non-qualified stock options.

AutoZone grants stock options annually. Currently, the annual grants are reviewed and approved by the Compensation Committee in the meeting (typically in late September or early October) at which it reviews prior year results, determines incentive payouts, and takes other compensation actions affecting the Named Executive Officers. The Compensation Committee has not delegated its authority to grant stock options; all grants are directly

Table of Contents

approved by the Compensation Committee. Option grant amounts for the Chief Executive Officer s direct reports and other senior executives are recommended to the Compensation Committee by the Chief Executive Officer, based on individual performance and the size and scope of the position held. AutoZone s general policy is to limit the total option shares granted to its employees during the annual grant process to approximately one percent of common shares estimated to be outstanding at the end of that fiscal year. The annual grant is typically made near the beginning of the fiscal year and does not include promotional or new hire grants that may be made during the fiscal year. The Committee reserves the right to deviate from this policy as it deems appropriate.

Newly promoted or hired officers may receive an option grant shortly after their hire or promotion. As a general rule, new hire or promotional stock options are approved and effective on the date of a regularly scheduled meeting of the Compensation Committee. On occasion, these interim grants may be approved by unanimous written consent of the Compensation Committee. The grants are recommended to the Compensation Committee by the Chief Executive Officer based on individual circumstances (e.g., what may be required in order to attract a new executive). Internal promotional grants are prorated based on the time elapsed since the officer received a regular annual grant of stock options.

AutoZone stockholders approved the 2011 Equity Plan at the 2010 annual meeting. Pursuant to the 2011 Equity Plan, AutoZone s Compensation Committee approved two distinct one-time awards of equity, other than stock options, during fiscal year 2011.

On December 15, 2010, the Committee authorized the grant of an award of 25,000 performance-restricted stock units (PRSUs) to William C. Rhodes, III, AutoZone s Chairman, President and CEO. The PRSUs are earned and vest as follows:

100% of the PRSUs shall be earned either

(a) on the date on which AutoZone s stock price reaches $461.12 or more per share for five consecutive trading days on or before October 1, 2015; or

(b) AutoZone achieves a Diluted Earnings Per Share equal to or greater than $29.94 on the last day of any fiscal year between the grant date and August 29, 2015.

In the event that neither of the performance conditions above is met, then 80% (20,000) of the PRSUs shall be earned if:

(a) AutoZone s stock price reaches $461.12 or more per share for five consecutive trading days on or before October 1, 2016; or

(b) AutoZone achieves a Diluted Earnings Per Share equal to or greater than $29.94 on the last day of any fiscal year between the grant date and August 27, 2016.

Assuming shares are earned and vest, the units will be delivered as shares of AutoZone common stock.

The purpose of this one-time award is to motivate continued high performance while enhancing the retention characteristics of the compensation package applicable to the Chief Executive Officer:

Performance
The target financial measures, diluted earnings per share and stock price, relate directly to stockholder success.

Retention
The potential realizable value of the award is significant, while remaining balanced by other elements of the compensation program to mitigate against risk related to unintended consequences.

Achieving a payout under the award terms requires continued and sustained high performance.

The terms of the grant require Mr. Rhodes to remain actively employed at least through October 1, 2015, even if one or both of the performance goals is reached prior to then.

Table of Contents

On January 25, 2011, the Committee approved the grant of an award of 4,800 restricted shares to Robert D. Olsen, AutoZone s Corporate Development Officer. Fifty percent (50%) of the shares will vest on the second anniversary of the grant date, and fifty percent (50%) will vest on the third anniversary of the grant date, assuming Mr. Olsen is employed by AutoZone on these dates.

The purpose of the restricted stock award is to retain Mr. Olsen s services through January 2014, in order to ensure continuity of performance and allow for continued development of AutoZone initiatives.

For more information about our stock-based plans, see Discussion of Plan-Based Awards Table on page 37.

Stock purchase plans. AutoZone maintains the Employee Stock Purchase Plan which enables all employees to purchase AutoZone common stock at a discount, subject to IRS-determined limitations. Based on IRS rules, we limit the annual purchases in the Employee Stock Purchase Plan to no more than $15,000, and no more than 10% of eligible (base and incentive or commission) compensation. To support and encourage stock ownership by our executives, AutoZone also established a non-qualified stock purchase plan. The Fourth Amended and Restated AutoZone, Inc. Executive Stock Purchase Plan (Executive Stock Purchase Plan) permits participants to acquire AutoZone common stock in excess of the purchase limits contained in AutoZone s Employee Stock Purchase Plan. Because the Executive Stock Purchase Plan is not required to comply with the requirements of Section 423 of the Internal Revenue Code, it has a higher limit on the percentage of a participant s compensation that may be used to purchase shares (25%) and places no dollar limit on the amount of a participant s compensation that may be used to purchase shares under the plan.

The Executive Stock Purchase Plan operates in a similar manner to the tax-qualified Employee Stock Purchase Plan, in that it allows executives to defer after-tax base or incentive compensation (after making annual elections as required under Section 409A of the Internal Revenue Code) for use in making quarterly purchases of AutoZone common stock. Options are granted under the Executive Stock Purchase Plan each calendar quarter and consist of two parts: a restricted share option and an unvested share option. Shares are purchased under the restricted share option at 100% of the closing price of AutoZone stock at the end of the calendar quarter (i.e., not at a discount), and a number of shares are issued under the unvested share option at no cost to the executive, so that the total number of shares acquired upon exercise of both options is equivalent to the number of shares that could have been purchased with the deferred funds at a price equal to 85% of the stock price at the end of the quarter. The unvested shares are subject to forfeiture if the executive does not remain with the company for one year after the grant date. After one year, the shares vest, and the executive owes taxes based on the share price on the vesting date (unless a so-called 83(b) election was made on the date of grant).

The table below can be used to compare and contrast the stock purchase plans.

	Employee Stock Purchase Plan	**Executive Stock Purchase Plan**
Contributions	After tax, limited to lower of 10% of eligible compensation (defined above) or $15,000	After tax, limited to 25% of eligible compensation (defined above)
Discount	15% discount based on lowest price at beginning or end of the quarter	15% discount based on quarter-end price
Vesting	None (one-year holding period only)	Shares granted to represent 15% discount restricted for one year; one-year holding period for shares purchased at fair market value
Taxes Individual	Ordinary income in amount of spread; capital gains for appreciation; taxed when shares sold	Ordinary income when restrictions lapse (83(b) election optional)
Taxes Company	No deduction unless disqualifying disposition	Deduction when included in employee s income

Table of Contents

How does the Compensation Committee consider and determine executive and director compensation?

Chief Executive Officer. The Compensation Committee establishes the compensation level for the Chief Executive Officer, including base salary, annual cash incentive compensation, and stock-based awards. The Chief Executive Officer s compensation is reviewed annually by the Compensation Committee in conjunction with a review of his individual performance by the non-management directors, taking into account all forms of compensation, including base salary, annual cash incentive, stock options and other stock-based awards, and the value of other benefits received.

Other Executive Officers. The Compensation Committee reviews and establishes base salaries for AutoZone s executive officers other than the Chief Executive Officer based on each executive officer s individual performance during the past fiscal year and on the recommendations of the Chief Executive Officer. The Compensation Committee approves the annual cash incentive amounts for the executive officers, which are determined by objectives established by the Compensation Committee at the beginning of each fiscal year as discussed above. The actual incentive amount paid depends on performance relative to the target objectives.

The Compensation Committee approves awards of stock options to many levels of management, including executive officers. Stock options are granted to executive officers upon initial hire or promotion, and thereafter are typically granted annually in accordance with guidelines established by the Compensation Committee as discussed above. The actual grant is determined by the Compensation Committee based on the guidelines and the performance of the individual in the position. The Compensation Committee considers the recommendations of the Chief Executive Officer. The Compensation Committee also approves awards of other stock-based compensation.

Management Stock Ownership Requirement. To further reinforce AutoZone s objective of driving long-term stockholder results, AutoZone maintains a stock ownership requirement for all Executive Committee members (a total of 11 individuals at the end of fiscal 2011). Mr. Olsen is not subject to this requirement. Covered executives must attain a specified minimum level of stock ownership, based on a multiple of their base salary, within 5 years of the adoption of the requirement or the executive s placement into a covered position. Executives who are promoted into a position with a higher multiple will have an additional 3 years to attain the required ownership level. In order to calculate whether each executive meets the ownership requirement, we total the value of each executive s holdings of whole shares of stock and the intrinsic (or in-the-money) value of vested stock options, based on the fiscal year-end closing price of AutoZone stock, and compare that value to the appropriate multiple of fiscal year-end base salary.

To encourage full participation in our equity plans, all AutoZone stock acquired under those plans is included in the executive s holdings for purposes of calculating his or her ownership. This includes vested stock options and vested shares which have restrictions on sale.

Key features of the stock ownership requirement are summarized in the table below:

Ownership Requirement	Chief Executive Officer	5 times base salary
	Executive Vice President	3 times base salary
	Senior Vice President	2 times base salary
Holding Requirements	Individuals who have not achieved the ownership requirement within the specified period will be required to hold 50% of net after-tax shares upon exercise of any stock option, and may not sell any shares of AZO.	
	Guidelines will no longer apply after an executive reaches age 62, in order to facilitate appropriate financial planning as retirement approaches. The Compensation Committee may waive the guidelines for any other executive at its discretion.	

Ownership Definition	Shares of stock directly owned;
	Unvested Shares acquired via the Executive Stock Purchase Plan; and
	Vested stock options acquired via the AutoZone Stock Option Plan (based on the in-the-money value).

Table of Contents

Under AutoZone s insider trading policies, all transactions involving put or call options on the stock of AutoZone are prohibited at all times. Officers and directors and their respective family members may not directly or indirectly participate in transactions involving trading activities which by their aggressive or speculative nature may give rise to an appearance of impropriety.

What roles do the Chief Executive Officer and other executive officers play in the determination of executive compensation?

The Chief Executive Officer attends most meetings of the Compensation Committee and participates in the process by answering Compensation Committee questions about pay philosophy and by ensuring that the Compensation Committee s requests for information are fulfilled. He also assists the Compensation Committee in determining the compensation of the executive officers by providing recommendations and input about such matters as individual performance, tenure, and size, scope and complexity of their positions. The Chief Executive Officer makes specific recommendations to the Compensation Committee concerning the compensation of his direct reports and other senior executives, including the executive officers. These recommendations usually relate to base salary increases and stock option grants. The Chief Executive Officer also recommends pay packages for newly hired executives. Management provides the Compensation Committee with data, analyses and perspectives on market trends and annually prepares information to assist the Compensation Committee in its consideration of such recommendations. Annual incentive awards are based on achievement of business objectives set by the Compensation Committee, but the Compensation Committee may exercise negative discretion, and if it does so, it is typically in reliance on the Chief Executive Officer s assessment of an individual s performance.

The Chief Executive Officer does not make recommendations to the Compensation Committee regarding his own compensation. The Senior Vice President, Human Resources has direct discussions with the Compensation Committee Chair regarding the Compensation Committee s recommendations on the Chief Executive Officer s compensation; however, Compensation Committee discussions of specific pay actions related to the Chief Executive Officer are held outside his presence.

Does AutoZone use compensation consultants?

Neither AutoZone management nor the Compensation Committee hired executive compensation consultants during fiscal 2011. Although historically we have hired consultants to provide services from time to time, it is not our usual practice, and as discussed previously, AutoZone does not regularly engage consultants as part of our annual review and determination of executive compensation. The Compensation Committee has authority, pursuant to its charter, to hire consultants of its selection to advise it with respect to AutoZone s compensation programs, and it may also limit the use of the Compensation Committee s compensation consultants by AutoZone s management as it deems appropriate.

What are AutoZone s peer group and compensation benchmarking practices?

AutoZone reviews publicly-available data from a peer group of companies to help us ensure that our overall compensation remains competitive. The peer group data we use is from proxy filings and other published sources it is not prepared or compiled especially for AutoZone.

We periodically review the appropriateness of this peer group. It typically has changed when such events as acquisitions and spin-offs have occurred. The peer group companies listed below, which remained unchanged in 2011, were selected in 2010 using the following criteria:

Direct competitors;

Companies with which we compete for talent, customers and capital; and

Companies with revenues ranging between 50% and 200% of AutoZone s revenues.

Table of Contents

AutoZone Peer Group

Advance Auto Parts Inc	Dollar Tree Inc	Pep Boys Manny Moe & Jack
Barnes & Noble Inc	Family Dollar Stores Inc	PetSmart Inc
Bed Bath & Beyond Inc	Foot Locker Inc	Radioshack Corp
Brinker International Inc	Gamestop Corp.	Ross Stores Inc
Darden Restaurants Inc	Genuine Parts Co	Sherwin Williams Co
Dicks Sporting Goods Inc	Limited Brands Inc	Starbucks Corp
Dollar General Corp	O Reilly Automotive Inc	Yum Brands Inc

We do not use information from the peer group or other published sources to set targets or make individual compensation decisions. AutoZone does not engage in benchmarking, such as targeting base salary at peer group median for a given position. Rather we use such data as context in reviewing AutoZone s overall compensation levels and approving recommended compensation actions. Broad survey data and peer group information are just two elements that we find useful in maintaining a reasonable and competitive compensation program. Other elements that we consider are individual performance, Company performance, individual tenure, position tenure, and succession planning.

What is AutoZone s policy concerning the taxation of compensation?

The Compensation Committee considers the provisions of Section 162(m) of the Internal Revenue Code which allows the Company to take an income tax deduction for compensation up to $1 million and for certain compensation exceeding $1 million paid in any taxable year to a covered employee as that term is defined in the Code. There is an exception for qualified performance-based compensation, and AutoZone s compensation program is designed to maximize the tax deductibility of compensation paid to executive officers, where possible. However, the Compensation Committee may authorize payments which are not deductible where it is in the best interests of AutoZone and its stockholders.

Plans or payment types which qualify as performance-based compensation include the EICP, PRSUs and stock options. Base salaries, restricted stock awards and the Executive Stock Purchase Plan grants do not qualify as performance-based under 162(m). A portion of the Chief Executive Officer s compensation which is not qualified performance-based compensation exceeded $1 million during fiscal 2011, driven by the Unvested Shares granted under the Executive Stock Purchase Plan. The impact on AutoZone of the foregone tax deduction for fiscal 2011 is immaterial. The base salaries, and any awards under the Executive Stock Purchase Plan, for each executive officer other than the Chief Executive Officer, were fully deductible in 2011, because in no case did the sum of this compensation exceed $1 million.

Section 409A of the Internal Revenue Code was created with the passage of the American Jobs Creation Act of 2004. These new tax regulations create strict rules related to non-qualified deferred compensation earned and vested on or after January 1, 2005. The Internal Revenue Service periodically releases Notices and other guidance related to Section 409A, and AutoZone continues to take actions necessary to comply with the Section s requirements by the deadlines established by the Internal Revenue Service.

Compensation Committee Report

The Compensation Committee of the Board of Directors (the Committee) has reviewed and discussed with management the Compensation Discussion and Analysis (CD&A). Based on the review and discussions, the Committee recommended to the Board of Directors that the CD&A be included in this proxy statement.

Members of the Compensation Committee:

Earl G. Graves, Jr., Chair

Robert R. Grusky

George R. Mrkonic, Jr.

Theodore W. Ullyot

Table of Contents

Compensation Committee Interlocks and Insider Participation

The members of the Compensation Committee of the Board of Directors during the 2011 fiscal year are listed above. The Compensation Committee is composed solely of independent, non-employee directors.

Compensation Program Risk Assessment

AutoZone s management conducts an annual assessment of the compensation plans and programs that apply throughout the Company, including those plans and programs in which our executives participate. The assessment, which is focused on plans and programs which are new or revised since fiscal 2010, is performed by key members of AutoZone s human resources, finance, operations, and legal teams, and entails thorough discussions of each plan s or program s design and operation. The findings are reviewed by senior management prior to being reviewed and discussed with the Compensation Committee.

Plan elements which are reviewed include participants, performance measures, performance and payout curves or formulas, how target level performance is determined (including whether any thresholds and caps exist), how frequently payouts occur, and the mix of fixed and variable compensation which the plan delivers. The plans and programs are also reviewed from the standpoint of reasonableness (e.g., how target and above-target pay levels compare to similar plans for similar populations at other companies, and how payout amounts relate to the results which generate the payment), how well the plans and programs are aligned with AutoZone s goals and objectives, and from an overall standpoint, whether these plans and programs represent an appropriate mix of short- and long-term compensation.

The purpose of these reviews is to determine whether the risks related to the design and operation of these plans and programs, if present, are reasonably likely to have a material adverse effect on the company. We believe that our compensation policies and practices do not encourage excessive risk-taking and are not reasonably likely to have a material adverse effect on the company. The various mitigating factors which support this conclusion include:

- Oversight of the management incentive plan and all stock-based compensation by the Compensation Committee of the Board of Directors;
- Management oversight of key plans and programs, including approving target level payouts, setting financial and operating goals, and approving payouts;
- Administration and oversight of plans and programs by multiple functions within the Company (e.g., finance, operations and human resources);
- Interrelationship between measures (e.g., correlation between economic profit performance and appreciation in the per-share price of AutoZone s stock);
- Vesting and stock ownership requirements which encourage long-term perspectives among participants; and
- A preference for performance measures which result in payments only upon achievement of ultimate financial results.

Table of Contents

SUMMARY COMPENSATION TABLE

This table shows the compensation paid to the Named Executive Officers.

Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	Stock Awards ($)(2)(3)	Option Awards ($)(3)	Non-Equity Incentive Plan Compensation ($)(4)	Change In Pension Value & Non-qualified Deferred Compensation Earnings ($)(5)	All Other Compensation ($)(6)	Total ($)
William C. Rhodes III	2011	992,308		6,609,251	1,575,207	2,009,424		173,829	11,360,019
Chairman, President &	2010	920,923		21,335	1,159,974	1,572,937		134,758	3,809,927
Chief Executive Officer	2009	752,385		21,270	1,138,717	1,017,977		122,416	3,052,765
William T. Giles	2011	487,692		7,633	919,610	740,683		55,013	2,210,631
Executive Vice President, Finance, IT &	2010	472,692		4,426	678,800	605,519		53,030	1,814,467
Store Development/Chief Financial Officer	2009	458,308		5,858	654,762	372,055		39,754	1,530,737
Robert D. Olsen	2011	375,154		1,193,760		455,813		31,118	2,055,845
Corporate Development Officer	2010	379,832				389,252		68,165	837,249
	2009	445,385			818,453	361,564		57,436	1,682,838
Harry L. Goldsmith	2011	410,154		3,544	842,975	622,922		70,602	1,950,197
Executive Vice President, General	2010	398,000		3,478	622,949	509,838		58,163	1,592,428
Counsel & Secretary	2009	385,154		3,487	597,826	312,668		48,871	1,348,006
Larry M. Roesel	2011	388,077			862,134	471,514		44,790	1,766,515
Senior Vice President, Commercial	2010	376,346			515,544	385,681		40,268	1,317,839

(1) Annual incentive awards were paid pursuant to the EICP and therefore appear in the non-equity incentive plan compensation column of the table.

(2) Represents shares acquired pursuant to the Executive Stock Purchase Plan and the 2011 Equity Plan. See Compensation Discussion and Analysis on page 22 for more information about these plans. See also footnotes 5 and 6 to the Grants of Plan-Based Awards table regarding stock awards to Messrs. Rhodes and Olsen. See Note B, Share-Based Payments, to our consolidated financial statements in our 2011 Annual Report for a description of the 2011 Equity Plan and the Executive Stock Purchase Plan and the accounting and assumptions used in calculating expenses in accordance with FASB ASC Topic 718.

(3) The value of stock awards and option awards was determined as required by FASB ASC Topic 718. There is no assurance that these values will be realized. See Note B, Share-Based Payments, to our consolidated financial statements in our 2011 Annual Report for details on assumptions used in the valuation.

(4) Incentive amounts were earned for the 2011 fiscal year pursuant to the EICP and were paid in October, 2011. See Compensation Discussion and Analysis on page 22 for more information about this plan.

(5) Our defined benefit pension plans were frozen in December 2002, and accordingly, benefits do not increase or decrease. See the Pension Benefits table on page 41 for more information. We did not provide above-market or preferential earnings on deferred compensation in 2009, 2010 or 2011.

34

Table of Contents

(6) All Other Compensation includes the following:

Name		Perquisites and Personal Benefits(A)	Tax Gross-ups	Company Contributions to Defined Contribution Plans(C)	Life Insurance Premiums	Other(D)
William C. Rhodes III	2011	$ 64,335(B)	$ 1,502	$ 100,233	$ 7,759	
	2010	$ 57,356(B)	$ 22	$ 71,291	$ 6,089	
	2009	$ 56,829(B)		$ 60,662	$ 4,925	
William T. Giles	2011	$ 8,414		$ 43,177	$ 3,422	
	2010	$ 17,152	$ 8	$ 32,981	$ 2,889	
	2009	$ 6,292		$ 31,072	$ 2,390	
Robert D. Olsen	2011	$ 18,414		$ 10,054	$ 2,650	
	2010	$ 34,036		$ 31,756	$ 2,373	
	2009	$ 25,876		$ 29,187	$ 2,373	
Harry L. Goldsmith	2011	$ 23,905		$ 36,467	$ 2,880	$ 7,350
	2010	$ 20,321		$ 28,067	$ 2,425	$ 7,350
	2009	$ 13,787		$ 26,047	$ 2,137	$ 6,900
Larry M. Roesel	2011	$ 11,168	$ 1,502	$ 30,404	$ 1,716	
	2010	$ 11,026	$ 918	$ 26,542	$ 1,782	

(A) Perquisites and personal benefits for all Named Executive Officers include Company-provided home security system and/or monitoring services, airline club memberships and status upgrades, reimbursement of 401(k) fund redemption fees, Company-paid spouse travel, Company-paid long-term disability insurance premiums, and matching charitable contributions under the AutoZone Matching Gift Program.

(B) The perquisites or personal benefits which exceeded the greater of $25,000 or 10% of the total amount of perquisites and personal benefits for an executive officer are as follows:

Mr. Rhodes: In each of fiscal 2009, 2010 and 2011, $50,000 in matching charitable contributions were made under the AutoZone Matching Gift Program, under which executives may contribute to qualified charitable organizations and AutoZone provides a matching contribution to the charities in an equal amount, up to $50,000 in the aggregate for each executive officer annually.

(C) Represents employer contributions to the AutoZone, Inc. 401(k) Plan and the AutoZone, Inc. Executive Deferred Compensation Plan.

(D) Represents transition payments to Mr. Goldsmith which the Company pays to certain individuals due to their age and service as of the date the AutoZone, Inc. Associates Pension Plan was frozen.

Table of Contents

GRANTS OF PLAN-BASED AWARDS

The following table sets forth information regarding plan-based awards granted to the Company s Named Executive Officers during the 2011 fiscal year.

		Estimated Future Payments Under Nonequity Incentive Plans(1)			Estimated Future Payouts Under Equity Incentive Plan Awards		All other Stock Awards: Number of shares of Stock or	All other Option Awards: Number of securities underlying	Exercise or base price of option awards	Closing price on date of grant for option awards, if	Grant date fair value of stock and option awards
Name	Equity Plans Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Maximum (#)	Units (#)(2)	options (#)(3)	awards ($)	different ($)(4)	($)
William C. Rhodes III		500,000	1,000,000	N/A							
	9/28/2010							24,400	228.20	230.56	1,575,207
	9/30/2010						3				687
	12/15/2010				20,000(5)	25,000(5)					6,563,750
	12/31/2010						84				22,898
	3/31/2011						37				10,122
	6/30/2011						40				11,794
											8,184,458
William T. Giles		183,750	367,500	N/A							
	9/28/2010							14,400	225.74	228.20	919,610
	12/31/2010						16				4,361
	3/31/2011						6				1,641
	6/30/2011						6				1,769
											927,381
Robert D. Olsen		113,100	226,200	N/A							
	1/25/2011						4,800(6)				1,193,760
											1,193,760
Harry L. Goldsmith		154,500	309,000	N/A							
	9/28/2010							13,200	225.74	228.20	842,975
	12/31/2010						13				3,544
											846,519
Larry M. Roesel		117,000	234,000	N/A							
	9/28/2010							13,500	225.74	228.20	862,134
											862,134

(1) Represents potential threshold, target and maximum incentive compensation for the 2011 fiscal year under the EICP based on each officer s salary on the date the 2011 fiscal year targets were approved. The amounts actually paid for the 2011 fiscal year are described in the Non-Equity Incentive Plan Compensation column in the Summary Compensation Table. The threshold is the minimum payment level under the EICP which is 50% of the target amount. There is no overall percentage maximum; however, awards paid to any individual pursuant to the EICP may not exceed $4 million. See Compensation Discussion and Analysis at page 22 and the discussion following this table for more information on the EICP.

(2) Unless otherwise noted, represents shares awarded pursuant to the Executive Stock Purchase Plan. See Compensation Discussion and Analysis at page 22 and the discussion following this table for more information on the Executive Stock Purchase Plan.

(3) Represents options awarded pursuant to the AutoZone, Inc. 2006 Stock Option Plan and the 2011 Equity Plan. See Compensation Discussion and Analysis at page 22 and the discussion following this table for more information on equity plans.

(4) Under the 2006 Stock Option Plan and the 2011 Equity Plan, stock option awards are made at the fair market value of common stock as of the grant date, defined as the closing price on the trading day previous to the grant date in the 2006 Stock Option Plan and the closing price on the grant date in the 2011 Equity Plan.

(5) Represents a grant of performance restricted stock units pursuant to the 2011 Equity Plan. See Compensation Discussion and Analysis on page 22 and the discussion following this table for more information about the 2011

Table of Contents

Equity Plan. The performance restricted stock units are presented at the aggregate grant date fair value computed in accordance with FASB ASC Topic 718.

(6) Represents a restricted stock award pursuant to the 2011 Equity Plan. The restricted stock award is presented at the aggregate grant date fair value computed in accordance with FASB ASC Topic 718.

Discussion of Plan-Based Awards Table

Executive Incentive Compensation Plan. The EICP is intended to be a performance-based compensation plan under Section 162(m) of the Internal Revenue Code. The Company s executive officers, as determined by the Compensation Committee of the Board of Directors, are eligible to participate in the EICP. At the beginning of each fiscal year, the Compensation Committee establishes a goal, which may be a range from a minimum to a maximum attainable bonus, based on one or more of the following measures:

- Earnings
- Earnings per share
- Sales
- Market share
- Operating or net cash flows
- Pre-tax profits
- Earnings before interest and taxes (EBIT)
- Return on invested capital
- Economic value added
- Return on inventory
- EBIT margin
- Sales per square foot
- Comparable store sales

The EICP provides that the goal may be different for different executives. The goals can change annually to support our business objectives. After the end of each fiscal year, the Compensation Committee must certify the attainment of goals under the EICP and direct the amount to be paid to each participant in cash. See Compensation Discussion and Analysis on page 22 for more information about the EICP.

Executive Stock Purchase Plan. The Executive Stock Purchase Plan permits participants to acquire AutoZone common stock in excess of the purchase limits contained in AutoZone s Employee Stock Purchase Plan. Because the Executive Stock Purchase Plan is not required to comply with the requirements of Section 423 of the Internal Revenue Code, it has a higher limit on the percentage of a participant s compensation that may be used to purchase shares (25%) and places no dollar limit on the amount of a participant s compensation that may be used to purchase shares under the plan. For more information about the Executive Stock Purchase Plan, see Compensation Discussion and Analysis on page 22.

Stock Options. Stock options are awarded to many levels of management, including executive officers, to align the long-term interests of AutoZone s management and our stockholders. During the 2011 fiscal year, 566 AutoZone employees received stock options. The stock options shown in the table were granted pursuant to the AutoZone, Inc. 2006 Stock Option Plan (2006 Stock Option Plan); effective January 1, 2011, all stock options will be granted under the 2011 Equity Plan (collectively, the Equity Plans.).

Both incentive stock options and non-qualified stock options, or a combination of both, can be granted under the Equity Plans. Incentive stock options have a maximum term of ten years, and non-qualified stock options have a maximum term of ten years and one day. Options granted during the 2011 fiscal year vest in one-fourth increments over a four-year period. All options granted under the Equity Plans have an exercise price equal to the fair market value of AutoZone common stock on the date of grant, which is defined in the 2006 Stock Option Plan as the closing price on the trading day previous to the grant date and in the 2011 Equity Plan as the closing price on the grant date. Option repricing is expressly prohibited by the terms of the Equity Plans.

Each grant of stock options is governed by the terms of a Stock Option Agreement entered into between the Company and the executive officer at the time of the grant. The Stock Option Agreements provide vesting schedules and other terms of the grants in accordance with the applicable Equity Plan.

Table of Contents

Performance Restricted Stock Units. On December 15, 2010, Mr. Rhodes received a grant of 25,000 performance restricted stock units pursuant to the 2011 Equity Plan, all or a portion of which will be earned and vest if AutoZone s stock price or earnings per share reach certain levels by 2015 or 2016. See Compensation Discussion and Analysis at page 22 for more information about this award.

Restricted Stock Awards. On January 25, 2011, Mr. Olsen received a grant of 4,800 shares of restricted stock, which will be earned and vest in 50% increments on the second and third anniversaries of the grant, assuming Mr. Olsen remains an AutoZone employee. See Compensation Discussion and Analysis at page 22 for more information about this award.

Under the 2011 Equity Plan, participants may receive equity-based compensation in the form of stock appreciation rights, restricted shares, restricted share units, dividend equivalents, deferred stock, stock payments, performance share awards and other incentive awards structured by the Compensation Committee and the Board within parameters set forth in the Plan.

The aggregate number of shares of AutoZone common stock available for equity grants pursuant to the Plan will be reduced by two shares for every share delivered in settlement of an award other than (i) a stock option, (ii) a stock appreciation right or (iii) any other award for which the holder pays the intrinsic value existing as of the date of grant (such awards, Full Value Awards). To the extent that any award other than a Full Value Award is forfeited, expires or is settled in cash without the delivery of shares to the holder, then any shares subject to the award will again be available for the grant of an award pursuant to the Plan; if such forfeited, expired or cash-settled award is a Full Value Award, then the number of shares available under the Plan will be increased by two shares for each share subject to the award that is forfeited, expired or cash-settled. However, shares tendered or withheld in payment of the exercise price of an option or in satisfaction of any tax withholding obligations with respect to an award, shares subject to a stock appreciation right that are not issued in connection with the stock settlement of the stock appreciation right on exercise thereof, and shares purchased on the open market with the cash proceeds from the exercise of options, will not again be available for the grant of an award pursuant to the Plan. Any shares of restricted stock repurchased by AutoZone at the same price paid by the participant, so that such shares are returned to AutoZone, will again be available for awards granted pursuant to the Plan. The payment of dividend equivalents in cash in conjunction with any outstanding awards will not be counted against the shares available for issuance under the Plan.

Table of Contents

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following table sets forth information regarding outstanding stock option awards under the 2006 Stock Option Plan and the Third Amended and Restated AutoZone, Inc. 1996 Stock Option Plan (1996 Stock Option Plan), outstanding equity awards under the 2011 Equity Plan, and unvested shares under the Executive Stock Purchase Plan for the Company s Named Executive Officers as of August 27, 2011:

		Option Awards				Stock Awards	
		Number of securities underlying unexercised options(1)					
Name	Grant Date	Exercisable	Unexercisable	Option Exercise Price	Option Expiration Date	Number of shares of stock that have not vested(2)	Market value of shares of stock that have not vested(3)
William C. Rhodes III	03/13/05	50,000	0	$ 98.30	03/14/15		
	10/15/05	1,000	0	$ 82.00	10/15/15		
	10/15/05	49,000	0	$ 82.00	10/16/15		
	09/26/06	1,500	0	$ 103.44	09/26/16		
	09/26/06	43,500	0	$ 103.44	09/27/16		
	09/25/07	28,950	9,650	$ 115.38	09/26/17		
	09/25/07	1,050	350	$ 115.38	09/25/17		
	09/22/08	16,000	16,000	$ 130.79	09/23/18		
	09/29/09	6,625	19,875	$ 142.77	09/30/19		
	09/29/09	125	375	$ 142.77	09/29/19		
	09/29/10	0	23,700	$ 228.20	09/30/20		
	09/29/10	0	700	$ 228.20	09/29/20		
	09/30/10					3	$ 904
	12/15/10					25,000(4)	$ 7,532,500
	12/31/10					84	$ 25,309
	03/31/11					37	$ 11,148
	06/30/11					40	$ 12,052
Totals		**197,750**	**70,650**			**25,164**	**$ 7,581,913**
William T. Giles	06/06/06	20,000	0	$ 89.76	06/07/16		
	09/26/06	2,000	0	$ 103.44	09/26/16		
	09/26/06	23,000	0	$ 103.44	09/27/16		
	09/25/07	16,050	5,350	$ 115.38	09/26/17		
	09/25/07	1,200	400	$ 115.38	09/25/17		
	09/22/08	9,200	9,200	$ 130.79	09/23/18		
	09/29/09	3,950	11,850	$ 142.77	09/30/19		
	09/28/10	0	13,500	$ 225.74	09/29/20		
	09/28/10	0	900	$ 225.74	09/28/20		
	12/31/10					16	$ 4,821
	03/31/11					6	$ 1,808
	06/30/11					6	$ 1,808
Totals		**75,400**	**41,200**			**28**	**$ 8,437**
Robert D. Olsen	09/05/03	23,200	0	$ 89.18	09/06/13		
	09/28/04	20,000	0	$ 75.64	09/29/14		
	04/07/05	5,000	0	$ 86.55	04/08/15		
	10/15/05	250	0	$ 82.00	10/15/15		
	10/15/05	21,500	0	$ 82.00	10/16/15		
	09/26/06	750	0	$ 103.44	09/26/16		
	09/26/06	23,500	0	$ 103.44	09/27/16		
	09/25/07	16,200	5,400	$ 115.38	09/26/17		
	09/25/07	1,050	350	$ 115.38	09/25/17		
	09/22/08	11,500	11,500	$ 130.79	09/23/18		

	01/25/11			4,800(5)	$ 1,446,240
Totals		**122,950**	**17,250**	**4,800**	**$ 1,446,240**

Table of Contents

		Option Awards				Stock Awards	
		Number of securities underlying unexercised options(1)					Market value of shares of stock that have not vested(3)
Name	**Grant Date**	**Exercisable**	**Unexercisable**	**Option Exercise Price**	**Option Expiration Date**	**Number of shares of stock that have not vested(2)**	
Harry L. Goldsmith	09/28/04	20,000	0	$ 75.64	09/29/14		
	04/07/05	10,000	0	$ 86.55	04/08/15		
	10/15/05	21,500	0	$ 82.00	10/16/15		
	09/26/06	23,500	0	$ 103.44	09/27/16		
	09/25/07	14,700	4,900	$ 115.38	09/26/17		
	09/25/07	1,050	350	$ 115.38	09/25/17		
	09/22/08	8,400	8,400	$ 130.79	09/23/18		
	09/29/09	3,500	10,500	$ 142.77	09/30/19		
	09/29/09	125	375	$ 142.77	09/29/19		
	09/28/10	0	12,500	$ 225.74	09/29/20		
	09/28/10	0	700	$ 225.74	09/28/20		
	12/31/09					13	$ 3,917
Totals		**102,775**	**37,725**			**13**	**$ 3,917**
Larry M. Roesel	04/09/07	5,000	0	$ 129.63	04/10/17		
	09/25/07	0	3,875	$ 115.38	09/26/17		
	09/25/07	1,500	500	$ 115.38	09/25/17		
	09/22/08	6,600	6,600	$ 130.79	09/23/18		
	09/22/08	400	400	$ 130.79	09/22/18		
	09/29/09	2,900	8,700	$ 142.77	09/30/19		
	09/29/09	100	300	$ 142.77	09/29/19		
	09/28/10	0	13,500	$ 225.74	09/29/20		
Totals		**16,500**	**33,875**				

(1) Stock options vest annually in one-fourth increments over a four-year period. Both incentive stock options and non-qualified stock options have been awarded.

(2) Unless otherwise noted, represents shares acquired pursuant to unvested share options granted under the Executive Stock Purchase Plan. Such shares vest on the first anniversary of the date the option was exercised under the plan, and will vest immediately upon a participant s termination of employment without cause or the participant s death, disability or retirement.

(3) Based on the closing price of AutoZone common stock on August 26, 2011 ($301.30 per share).

(4) Represents a grant of performance restricted stock units pursuant to the 2011 Equity Plan.

(5) Represents a restricted stock award pursuant to the 2011 Equity Plan.

Table of Contents

OPTION EXERCISES AND STOCK VESTED

The following table sets forth information regarding stock option exercises and vested stock awards for the Company s Named Executive Officers during the fiscal year ended August 27, 2011:

	Option Awards		Stock Awards	
Name	Number of shares acquired on exercise (#)	Value realized on exercise ($)	Number of shares acquired on vesting (#)(1)	Value realized on vesting ($)(2)
William C. Rhodes III	55,200	10,247,466	134	36,445
	1,800	(3)		
William T. Giles	20,000	4,076,554	28	7,633
Robert D. Olsen				
Harry L. Goldsmith	43,200	7,890,159	22	5,997
	1,500	(3)		
Larry M. Roesel	7,750	912,118		

(1) Represents shares acquired pursuant to the Executive Stock Purchase Plan. See Compensation Discussion and Analysis on page 22 for more information about this plan.

(2) Based on the closing price of AutoZone common stock on the vesting date.

(3) Represents shares acquired, and subsequently retained, upon exercise of Incentive Stock Options. The value of the shares, based on the August 26, 2011 closing price of $301.30, is shown in the table below.

Name	ISO shares acquired on exercise (#)	Value as of fiscal year end ($)
William C. Rhodes III	1,800	542,340
Harry L. Goldsmith	1,500	451,950

PENSION BENEFITS

The following table sets forth information regarding pension benefits for the Company s Named Executive Officers as of August 27, 2011:

Name	Plan Name	Number of Years of Credited Service	Present Value of Accumulated Benefit ($)(1)	Payments During Last Fiscal Year ($)
William C. Rhodes III	AutoZone, Inc. Associates Pension Plan	7	61,639	
	AutoZone, Inc. Executive Deferred Compensation Plan		37,138	
William T. Giles	N/A			

Robert D. Olsen	AutoZone, Inc. Associates Pension Plan	7	109,544
	AutoZone, Inc. Executive Deferred Compensation Plan		115,592
Harry L. Goldsmith	AutoZone, Inc. Associates Pension Plan	9	164,609
	AutoZone, Inc. Executive Deferred Compensation Plan		197,264
Larry M. Roesel	N/A		

Table of Contents

(1) As the plan benefits were frozen as of December 31, 2002, there is no service cost and increases in future compensation levels no longer impact the calculations. The benefit of each participant is accrued based on a funding formula computed by our independent actuaries, Mercer. See Note K, Pension and Savings Plans, to our consolidated financial statements in our 2011 Annual Report for a discussion of our assumptions used in determining the present value of the accumulated pension benefits.

Prior to January 1, 2003, substantially all full-time AutoZone employees were covered by a defined benefit pension plan, the AutoZone, Inc. Associates Pension Plan (the Pension Plan). The Pension Plan is a traditional defined benefit pension plan which covered full-time AutoZone employees who were at least 21 years old and had completed one year of service with the Company. The benefits under the Pension Plan were based on years of service and the employee s highest consecutive five-year average compensation. Compensation included total annual earnings shown on Form W-2 plus any amounts directed on a tax-deferred basis into Company-sponsored benefit plans, but did not include reimbursements or other expense allowances, cash or non-cash fringe benefits, moving expenses, non-cash compensation (regardless of whether it resulted in imputed income), long-term cash incentive payments, payments under any insurance plan, payments under any weekly-paid indemnity plan, payments under any long term disability plan, nonqualified deferred compensation, or welfare benefits.

AutoZone also maintained a supplemental defined benefit pension plan for certain highly compensated employees to supplement the benefits under the Pension Plan as part of our Executive Deferred Compensation Plan (the Supplemental Pension Plan). The purpose of the Supplemental Pension Plan was to provide any benefit that could not be provided under the qualified plan due to IRS limitations on the amount of salary that could be recognized in the qualified plan. The benefit under the Supplemental Pension Plan is the difference between (a) the amount of benefit determined under the Pension Plan formula but using the participant s total compensation without regard to any IRS limitations on salary that can be recognized under the qualified plan, less (b) the amount of benefit determined under the Pension Plan formula reflecting the IRS limitations on compensation that can be reflected under a qualified plan.

In December 2002, both the Pension Plan and the Supplemental Pension Plan were frozen. Accordingly, all benefits to all participants in the Pension Plan were fixed and could not increase, and no new participants could join the plans.

Annual benefits to the Named Executive Officers are payable upon retirement at age 65. Sixty monthly payments are guaranteed after retirement. The benefits will not be reduced by Social Security or other amounts received by a participant. The basic monthly retirement benefit is calculated as 1% of average monthly compensation multiplied by a participant s years of credited service. Benefits under the Pension Plan may be taken in one of several different annuity forms. The actual amount a participant would receive depends upon the payment method chosen.

A participant in the Pension Plan is eligible for early retirement under the plan if he or she is at least 55 years old AND was either (a) a participant in the original plan as of June 19, 1976; or (b) has completed at least ten (10) years of service for vesting (i.e. years in which the participant worked at least 1,000 hours after becoming a Pension Plan participant). The early retirement date will be the first of any month after the participant meets these requirements and chooses to retire. Benefits may begin immediately, or the participant may elect to begin receiving them on the first of any month between the date he or she actually retires and the normal retirement date. If a participant elects to begin receiving an early retirement benefit before the normal retirement date, the amount of the accrued benefit will be reduced according to the number of years by which the start of benefits precedes the normal retirement date. Mr. Goldsmith is eligible for early retirement under the Pension Plan.

Messrs. Rhodes, Olsen and Goldsmith are participants in the Pension Plan and the Supplemental Pension Plan. No named officers received payment of a retirement benefit in fiscal 2011.

Table of Contents

NONQUALIFIED DEFERRED COMPENSATION

The following table sets forth information regarding nonqualified deferred compensation for the Company s Named Executive Officers as of and for the year ended August 27, 2011.

Name	Plan	Executive Contributions in Last FY ($)(1)	Registrant Contributions in Last FY ($)(2)	Aggregate Earnings in Last FY ($)(3)	Aggregate withdrawals / distributions ($)	Aggregate Balance at Last FYE ($)
William C. Rhodes III	Executive Deferred Compensation Plan	521,984	91,425	236,625		2,863,968
William T. Giles	Executive Deferred Compensation Plan	37,703	33,513	16,828	(83,940)	187,853
Robert D. Olsen	Executive Deferred Compensation Plan	12,325		24,293		445,924
Harry L. Goldsmith	Executive Deferred Compensation Plan	45,977	26,667	22,998	(55,441)	312,058
Larry M. Roesel	Executive Deferred Compensation Plan	128,646	20,804	7,435	(43,655)	306,613

(1) Represents contributions by the Named Executive Officers under the AutoZone, Inc. Executive Deferred Compensation Plan (the EDCP). Such contributions are included under the appropriate Salary and Non-Equity Incentive Plan Compensation columns for the Named Executive Officers in the Summary Compensation Table.

(2) Represents matching contributions by the Company under the EDCP. Such contributions are included under the All Other Compensation column for the Named Executive Officers in the Summary Compensation Table.

(3) Represents the difference between the aggregate balance at end of fiscal 2011 and the end of fiscal 2010, excluding (i) contributions made by the executive officer and the Company during fiscal 2011 and (ii) any withdrawals or distributions during fiscal 2011. None of the earnings in this column were included in the Summary Compensation Table because they were not preferential or above market.

Officers of the Company with the title of vice president or higher based in the United States are eligible to participate in the EDCP after their first year of employment with the Company. As of August 27, 2011, there were 43 such officers of the Company. The EDCP is a nonqualified plan that allows officers to make a pretax deferral of base salary and bonus compensation. Officers may defer up to 25% of base salary and bonus, minus deferrals under the 401(k) plan. The Company matches 100% of the first 3% of deferred compensation and 50% of the next 2% deferred. Participants may select among various mutual funds in which to invest their deferral accounts. Participants may elect to receive distribution of their deferral accounts at retirement or starting in a specific future year of choice before or after anticipated retirement (but not later than the year in which the participant reaches age 75). If a participant s employment with AutoZone terminates other than by retirement or death, the account balance will be paid in a lump sum payment six months after termination of employment. There are provisions in the EDCP for withdrawal of all or part of the deferral account balance in the event of an extreme and unforeseen financial hardship.

Table of Contents

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

Our Named Executive Officers may receive certain benefits if their employment terminates under specified circumstances. These benefits derive from Company policies, plans, agreements and arrangements described below.

Agreement with Mr. Rhodes

In February 2008, Mr. Rhodes and AutoZone entered into an agreement (the Agreement) providing that if Mr. Rhodes employment is terminated by the Company without cause, he will receive severance benefits consisting of an amount equal to 2.99 times his then-current base salary, a lump sum prorated share of any unpaid annual bonus incentive for periods during which he was employed, and AutoZone will pay the cost of COBRA premiums to continue his medical, dental and vision insurance benefits for up to 18 months to the extent such premiums exceed the amount Mr. Rhodes had been paying for such coverage during his employment. The Agreement further provides that Mr. Rhodes will not compete with AutoZone or solicit its employees for a three-year period after his employment with AutoZone terminates.

Executive Officer Agreements (Messrs. Giles and Roesel)

In February 2008, AutoZone s executive officers who do not have written employment agreements, including Messrs. Giles and Roesel, entered into agreements (Severance and Non-Compete Agreements) with the Company providing that if their employment is involuntarily terminated without cause, and if they sign an agreement waiving certain legal rights, they will receive severance benefits in the form of salary continuation for a period of time ranging from 12 months to 24 months, depending on their length of service at the time of termination. Mr. Giles presently has five years of service and Mr. Roesel has four.

Years of Service	Severance Period
0 1	12 months
2 5	18 months
Over 5	24 months

The executives will also receive a lump sum prorated share of their annual bonus incentive when such incentives are paid to similarly-situated executives. Medical, dental and vision insurance benefits generally continue through the severance period up to a maximum of 18 months, with the Company paying the cost of COBRA premiums to the extent such premiums exceed the amount the executive had been paying for such coverage. An appropriate level of outplacement services may be provided based on individual circumstances.

The Severance and Non-Compete Agreement further provides that the executive will not compete with AutoZone or solicit its employees for a two-year period after his or her employment with AutoZone terminates.

Employment Agreement (Messrs. Goldsmith and Olsen)

Mr. Goldsmith s and Mr. Olsen s employment agreements (each an Employment Agreement) were amended and restated on December 29, 2008, to bring them into compliance with Section 409A of the Internal Revenue Code. The Employment Agreements originally dated 1999 and 2000, respectively, continue until terminated either by the executive or by AutoZone. Mr. Olsen s Employment Agreement was further amended on September 29, 2009.

If an Employment Agreement is terminated by AutoZone for cause, or by the executive for any reason, the executive will cease to be an employee, and will cease to receive salary, bonus, and other benefits. Cause is defined as the willful engagement in conduct which is demonstrably or materially injurious to AutoZone, monetarily or otherwise. No act or failure to act will be considered willful unless done, or omitted to be done, not in good faith and without reasonable belief that the action or omission was in the best interest of AutoZone.

Table of Contents

If an Employment Agreement is terminated by AutoZone without cause, and the executive experiences a separation from service (within the meaning of Section 409A and related regulations), Mr. Goldsmith will receive certain benefits for three years after the termination date and Mr. Olsen will receive certain benefits for one year after the termination date (each, a Continuation Period). Each executive will receive his then-current base salary during his Continuation Period, and will receive a prorated bonus for the fiscal year in which he was terminated, but no bonuses thereafter. Each executive s stock options that would have vested during his Continuation Period will immediately vest on his termination date, and all vested stock options may be exercised in accordance with the respective stock option agreements until the first to occur of (i) 30 days after the end of his Continuation Period or (ii) the expiration of the respective stock option agreement, without regard to any possible early expiration resulting from the executive s termination. Medical, dental and vision benefit coverage under an AutoZone group health plan will continue for a period of time equal to the sum of the executive s maximum COBRA coverage period plus his Continuation Period. Each executive will also receive a lump sum payment equal to a multiple of the total aggregate annual COBRA premium costs for group medical, dental and vision benefit coverage for himself and his dependents as in effect immediately prior to his termination. This multiple for Mr. Goldsmith is 3X and for Mr. Olsen is 1X.

Each executive agrees to release AutoZone from any and all obligations other than those set forth in his Employment Agreement. If either executive is terminated from his position by AutoZone, or by the executive for reasons other than a change in control, then the executive will be prohibited from competing against AutoZone or hiring AutoZone employees for a period of time equal to his Continuation Period. Change in control in each Employment Agreement means either the acquisition of a majority of AutoZone s voting securities by or the sale of substantially all of AutoZone s assets to a non-affiliate of the company.

Equity Plans

All outstanding, unvested stock options, including those held by the Named Executive Officers, will vest immediately upon the option holder s death pursuant to the terms of the stock option agreements.

Unvested share options under our Executive Stock Purchase Plan, which normally are subject to forfeiture if a participant s employment terminates prior to the first anniversary of their acquisition, will vest immediately if the termination is by reason of the participant s death, disability, termination by the Company without cause, or retirement on or after the participant s normal retirement date. The plan defines disability, cause, and normal retirement date.

Under Mr. Rhodes Performance-Based Restricted Stock Units Award Agreement, described on page 28, any Restricted Stock Units that have been earned (i.e., the performance conditions have been met) but have not become vested, will become vested and will be paid in shares of AutoZone common stock as soon as practicable after the date of Mr. Rhodes termination of employment by the Company without cause (as defined in the award agreement) or due to his death or disability. Any Restricted Stock Units which have not been earned as of the date on which Mr. Rhodes employment with AutoZone terminates for any reason shall not become vested.

Life Insurance

AutoZone provides all salaried employees in active full-time employment in the United States a company-paid life insurance benefit in the amount of two times annual earnings. Annual earnings exclude stock compensation and gains realized from stock option exercises, but include salary and incentive compensation received. Additionally, salaried employees are eligible to purchase additional life insurance subject to insurability above certain amounts. The maximum benefit of the company-paid and the additional coverage combined is $5,000,000. All of the Named Executive Officers are eligible for this benefit.

Disability Insurance

All full-time officers at the level of vice president and above are eligible to participate in two executive long-term disability plans. Accordingly, AutoZone purchases individual disability policies for its executive officers that pay 70% of the first $7,143 of insurable monthly earnings in the event of disability. Additionally,

Table of Contents

the executive officers are eligible to receive an executive long-term disability plan benefit in the amount of 70% of the next $35,714 of insurable monthly earnings to a maximum benefit of $25,000 per month. AutoZone purchases insurance to cover this plan benefit. These two benefits combined provide a maximum benefit of $30,000 per month. The benefit payment for these plans may be reduced by deductible sources of income and disability earnings. Mr. Goldsmith is only covered under the group long-term disability program, under which he is eligible to receive 70% of monthly earnings to a maximum benefit of $30,000 per month.

Table of Contents

The following table shows the amounts that the Named Executive Officers would have received if their employment had been terminated under specified circumstances on August 27, 2011. This table does not include amounts related to the Named Executive Officers vested benefits under our deferred compensation and pension plans or pursuant to stock option awards, all of which are described in the tables above.

Name	Voluntary or For Cause Termination ($)	Involuntary Termination Not For Cause ($)	Change in Control ($)	Disability ($)	Death ($)	Normal Retirement ($)
William C. Rhodes, III(1)						
Severance Pay		2,990,000				
Annual Incentive		2,009,424		2,009,424	2,009,424	2,009,424
Benefits Continuation		11,208			2,345	
Unvested Stock Options					9,581,233	
Unvested Stock Awards		49,413		49,413	49,413	49,413
Disability Benefits				6,960,000		
Life Insurance Benefits					5,000,000	
Total		**5,060,045**		**7,009,413**	**14,632,991**	**49,413**
William T. Giles(2)						
Severance Pay		980,000				
Annual Incentive		740,683		740,683	740,683	740,683
Benefits Continuation		12,663			2,345	
Unvested Stock Options					5,604,377	
Unvested Stock Awards		8,437		8,437	8,437	8,437
Disability Benefits				4,920,000		
Life Insurance Benefits					2,166,000	
Total		**1,741,783**		**5,669,120**	**8,521,842**	**749,120**
Robert D. Olsen(3)						
Salary Continuation		377,000				
Annual Incentive		455,813		455,813	455,813	455,813
Benefits Continuation		14,265			2,345	
Unvested Stock Options		3,029,905			3,029,905	
Unvested Stock Awards		1,446,240		1,446,240	1,446,240	
Disability Benefits				2,610,000		
Life Insurance Benefits					1,514,000	
Total		**5,323,223**		**4,512,053**	**6,448,303**	**455,813**
Harry L. Goldsmith(3)						
Salary Continuation		1,236,000				
Annual Incentive		622,922		622,922	622,922	622,922
Benefits Continuation		28,142			2,424	
Unvested Stock Options		5,129,770			5,129,770	
Unvested Stock Awards		3,917		3,917	3,917	3,917
Disability Benefits				2,040,000		
Life Insurance Benefits					1,824,000	
Total		**7,020,751**		**2,666,839**	**7,583,033**	**626,839**
Larry M. Roesel(2)						
Severance Pay		585,000				
Annual Incentive		471,514		471,514	471,514	471,514
Benefits Continuation		11,208			2,345	
Unvested Stock Options					4,453,800	
Disability Benefits				4,170,000		

Life Insurance Benefits			1,000,000	
Total	**1,067,722**	**4,641,514**	**5,927,659**	**471,514**

Table of Contents

(1) Severance Pay, Bonus and Benefits Continuation amounts shown under the Involuntary Termination Not for Cause column reflects the terms of Mr. Rhodes Agreement described above. Unvested stock options are those outstanding, unvested stock options which will vest immediately upon the option holder s death. Unvested stock awards are share options under the Executive Stock Purchase Plan, which vest upon involuntary termination not for cause, disability, death or normal retirement. Annual Incentive is shown at actual annual incentive amount for the 2011 fiscal year; it would be prorated if the triggering event occurred other than on the last day of the fiscal year. Disability Benefits are benefits under Company-paid individual long-term disability insurance policy. Life Insurance Benefits are benefits under a Company-paid life insurance policy.

(2) Severance Pay, Bonus and Benefits Continuation amounts shown under the Involuntary Termination Not for Cause column reflect payments to Mr. Giles and Mr. Roesel under the Severance and Non-Compete Agreements described above. Annual Incentive is shown at actual annual incentive amount for the 2011 fiscal year; it would be prorated if the triggering event occurred other than on the last day of the fiscal year. Benefits Continuation refers to medical, dental and vision benefits. Unvested stock options are those outstanding, unvested stock options which will vest immediately upon the option holder s death. Unvested stock awards are share options under the Executive Stock Purchase Plan, which vest upon involuntary termination not for cause, disability, death or normal retirement. Disability Benefits are benefits under Company-paid individual long-term disability insurance policy. Life Insurance Benefits are benefits under a Company-paid life insurance policy.

(3) Salary Continuation, Bonus and Benefits Continuation amounts shown under the Involuntary Termination Not for Cause column reflect payments to Mr. Goldsmith and Mr. Olsen under the terms of their respective Employment Agreements described above. Annual Incentive is shown at actual annual incentive amount for the 2011 fiscal year; it would be prorated if the triggering event occurred other than on the last day of the fiscal year. Upon disability, death or normal retirement, a prorated bonus is paid in accordance with Company policy. Benefits Continuation refers to medical, dental and vision benefits. Unvested stock options are those outstanding, unvested stock options which will vest immediately upon the option holder s death. Additionally, Messrs. Goldsmith s and Olsen s Employment Agreements provides that in the event of their termination by AutoZone without cause, stock options that would have vested during their continuation period (three years for Mr. Goldsmith and one year for Mr. Olsen) vest immediately upon their termination date. Unvested stock awards are share options under the Executive Stock Purchase Plan which vest upon involuntary termination not for cause, disability, death or normal retirement. For Mr. Olsen, unvested stock awards also include unvested restricted stock awards, which vest upon involuntary termination not for cause, disability, or death. Disability Benefits are benefits under Company-paid individual long-term disability insurance policy. Life Insurance Benefits are benefits under a Company-paid life insurance policy.

Related Party Transactions

Our Board has adopted a Related Person Transaction Policy (the Policy) which requires the Audit Committee of the Board to review and approve or ratify all Related Person Transactions. The Audit Committee is to consider all of the available relevant facts and circumstances of each transaction, including but not limited to the benefits to the Company; the impact on a director s independence in the event the Related Person is a director, an immediate family member of a director or an entity in which a director is a partner, shareholder or executive officer; the availability of other sources for comparable products or services; the terms of the transaction; and the terms available to unrelated third parties generally. Related Person Transactions must also comply with the policies and procedures specified in our Code of Ethics and Business Conduct and Corporate Governance Principles, as described below.

The Policy also requires disclosure of all Related Person Transactions that are required to be disclosed in AutoZone s filings with the Securities and Exchange Commission, in accordance with all applicable legal and regulatory requirements.

Table of Contents

A Related Person Transaction is defined in the Policy as a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) that occurred since the beginning of the Company s most recent fiscal year in which the Company (including any of its subsidiaries) was, is or will be a participant and the amount involved exceeds $120,000 and in which any Related Person had, has or will have a direct or indirect material interest. Related Persons include a director or executive officer of the Company, a nominee to become a director of the Company, any person known to be the beneficial owner of more than 5% of any class of the Company s voting securities, any immediate family member of any of the foregoing persons, and any firm, corporation or other entity in which any of the foregoing persons is employed or is a partner or principal or in a similar position or in which such person has a 5% or greater beneficial ownership interest.

Our Board has adopted a Code of Business Conduct (the Code of Conduct) that applies to the Company s directors, officers and employees. The Code of Conduct prohibits directors and executive officers from engaging in activities that create conflicts of interest, taking corporate opportunities for personal use or competing with the Company, among other things. Our Board has also adopted a Code of Ethical Conduct for Financial Executives (the Financial Code of Conduct) that applies to the Company s officers and employees who hold the position of principal executive officer, principal financial officer, principal accounting officer or controller as well as to Company s officers and employees who perform similar functions (Financial Executives). The Financial Code of Conduct requires the Financial Executives to, among other things, report any actual or apparent conflict of interest between personal or professional relationships involving Company management and any other Company employee with a role in financial reporting disclosures or internal controls. Additionally, our Corporate Governance Principles require each director who is faced with an issue that presents, or may give the appearance of presenting, a conflict of interest to disclose that fact to the Chairman of the Board and the Secretary, and to refrain from participating in discussions or votes on such issue unless a majority of the Board determines, after consultation with counsel, that no conflict of interest exists as to such matter.

We have concluded there are no material related party transactions or agreements that were entered into during the fiscal year ended August 27, 2011 and through the date of this proxy statement requiring disclosure under these policies.

Equity Compensation Plans

Equity Compensation Plans Approved by Stockholders

Our stockholders have approved the 2011 Equity Plan, 2006 Stock Option Plan, 1996 Stock Option Plan, the Employee Stock Purchase Plan, the Executive Stock Purchase Plan, the 2003 Director Compensation Plan and the 2003 Director Stock Option Plan.

Equity Compensation Plans Not Approved by Stockholders

The AutoZone, Inc. Second Amended and Restated Director Compensation Plan and the AutoZone, Inc. Fourth Amended and Restated 1998 Director Stock Option Plan were approved by the Board, but were not submitted for approval by the stockholders as then permitted under the rules of the New York Stock Exchange. Both of these plans were terminated in December 2002 and were replaced by the 2003 Director Compensation Plan and the 2003 Director Stock Option Plan, respectively, after the stockholders approved them. No further grants can be made under the terminated plans. However, any grants made under these plans will continue under the terms of the grant made. Only treasury shares are issued under the terminated plans.

Under the Second Amended and Restated Director Compensation Plan, a non-employee director could receive no more than one-half of the annual retainer and meeting fees immediately in cash, and the remainder of the fees were taken in common stock or deferred in stock appreciation rights.

Under the Fourth Amended and Restated 1998 Director Stock Option Plan, on January 1 of each year, each non-employee director received an option to purchase 1,500 shares of common stock, and each non-employee

Table of Contents

director who owned common stock worth at least five times the annual fee paid to each non-employee director on an annual basis received an additional option to purchase 1,500 shares of common stock. In addition, each new director received an option to purchase 3,000 shares upon election to the Board, plus a portion of the annual directors option grant prorated for the portion of the year actually served in office. These stock option grants were made at the fair market value as of the grant date.

Summary Table

The following table sets forth certain information as of August 27, 2011, with respect to compensation plans under which shares of AutoZone common stock may be issued.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by security holders	2,670,371	$ 106.52	3,345,962
Equity compensation plans not approved by security holders	14,284	$ 54.81	0
Total	2,684,655	$ 106.25	3,345,962

Section 16(a) Beneficial Ownership Reporting Compliance

Securities laws require our executive officers, directors, and beneficial owners of more than ten percent of our common stock to file insider trading reports (Forms 3, 4, and 5) with the Securities and Exchange Commission and the New York Stock Exchange relating to the number of shares of common stock that they own, and any changes in their ownership. To our knowledge, all persons related to AutoZone that are required to file these insider trading reports have filed them in a timely manner. Copies of the insider trading reports can be found on the AutoZone corporate website at www.autozoneinc.com.

STOCKHOLDER PROPOSALS FOR 2012 ANNUAL MEETING

Stockholder proposals for inclusion in the Proxy Statement for the Annual Meeting in 2012 must be received by June 26, 2012. In accordance with our Bylaws, stockholder proposals received after August 16, 2012, but by September 15, 2012, may be presented at the Annual Meeting, but will not be included in the Proxy Statement. Any stockholder proposal received after September 15, 2012, will not be eligible to be presented for a vote to the stockholders in accordance with our Bylaws. Any proposals must be mailed to AutoZone, Inc., Attention: Secretary, Post Office Box 2198, Dept. 8074, Memphis, Tennessee 38101-2198.

ANNUAL REPORT

A copy of our Annual Report is being mailed with this Proxy Statement to all stockholders of record.

By order of the Board of Directors,

Harry L. Goldsmith

Secretary

Memphis, Tennessee

October 24, 2011

Table of Contents

Electronic Voting Instructions
You can vote by Internet or telephone!
Available 24 hours a day, 7 days a week!

Instead of mailing your proxy, you may choose one of the two voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

Proxies submitted by the Internet or telephone must be received by 1:00 a.m., Central Time, on December 14, 2011.

Vote by Internet
Log on to the Internet and go to
www.investorvote.com/AZO
Follow the steps outlined on the secured website.

Vote by telephone
Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada any time on a touch tone telephone. There is NO CHARGE to you for the call.
Follow the instructions provided by the recorded message.

Using a **black ink** pen, mark your votes with an X as shown in this example.
Please do not write outside the designated areas. [X]

Annual Meeting Proxy Card

IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

A Proposals The Board of Directors recommends a vote FOR all the nominees listed, FOR Proposals 2 and 3 and to conduct future advisory votes on executive compensation EVERY YEAR .

1. Election of Directors:		For	Against	Abstain			For	Against	Abstain
01	William C. Crowley	[ ]	[ ]	[ ]	02	Sue E. Gove	[ ]	[ ]	[ ]
03	Earl G. Graves, Jr.	[ ]	[ ]	[ ]	04	Robert R. Grusky	[ ]	[ ]	[ ]
05	J. R. Hyde, III	[ ]	[ ]	[ ]	06	W. Andrew McKenna	[ ]	[ ]	[ ]
07	George R. Mrkonic, Jr.	[ ]	[ ]	[ ]	08	Luis P. Nieto	[ ]	[ ]	[ ]
09	William C. Rhodes, III	[ ]	[ ]	[ ]					

	For	Against	Abstain
2. Ratification of Ernst & Young LLP as independent registered public accounting firm for the 2012 fiscal year.	[ ]	[ ]	[ ]
3. Approval of advisory proposal on executive compensation.	[ ]	[ ]	[ ]

	Every			
	1 year	**2 years**	**3 years**	**Abstain**
4. Advisory vote on the frequency of future advisory votes on executive compensation.	[ ]	[ ]	[ ]	[ ]

5. In the discretion of the proxies named herein, upon such other matters as may properly come before the meeting.

B Non-Voting Items

Change of Address Please print new address below.

Meeting Attendance
Mark box to the right if you plan to attend the Annual Meeting. [ ]

C Authorized Signatures This section must be completed for your vote to be counted. Date and Sign Below

Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

Date (mm/dd/yyyy) Please print date below. Signature 1 Please keep signature within the box. Signature 2 Please keep signature within the box.

Table of Contents

IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

Proxy AutoZone, Inc.

PROXY SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF THE COMPANY

FOR THE ANNUAL MEETING OF STOCKHOLDERS

I hereby appoint Harry L. Goldsmith and Rebecca W. Ballou, and each of them, as proxies, with full power of substitution to vote all shares of common stock of AutoZone, Inc., which I would be entitled to vote at the Annual Meeting of AutoZone, Inc., to be held at the J. R. Hyde III Store Support Center, 123 South Front Street, Memphis, Tennessee, on Wednesday, December 14, 2011, at 8:30 a.m. CST, and at any adjournments, on items 1, 2, 3 and 4 as I have specified, and in their discretion on other matters as may come before the meeting.

This proxy when properly executed will be voted in the manner directed on the reverse side. If no direction is made, this proxy will be voted FOR the election of the directors nominated by the Board of Directors, FOR proposals 2 and 3 and TO conduct future advisory votes on executive compensation EVERY YEAR.

CONTINUED AND TO BE SIGNED ON REVERSE SIDE

SEE REVERSE SIDE