

**AUTOZONE, INC.**  
**AUDIT COMMITTEE**  
**CHARTER**

***Authority***

This Audit Committee Charter was adopted by the Board of Directors of AutoZone, Inc., on December 9, 1999, and has been revised on June 6, 2000, August 26, 2002, December 12, 2002, June 10, 2003, October 21, 2003, June 9, 2004, and March 22, 2006.

***Purpose***

The audit committee assists AutoZone's Board in fulfilling its oversight responsibilities of

- the integrity of the company's financial statements,
- the company's systems of internal control over financial reporting,
- the company's compliance with legal and regulatory requirements,
- the independent auditor's qualification and independence, and
- the performance of the company's internal audit function and independent auditors.

The Committee shall perform its duties by:

- appointing , determining the compensation of, and overseeing the work of the independent auditor and the internal auditor;
- reviewing the financial reporting processes and the information that will be provided to the stockholders and others;
- reviewing the adequacy and effectiveness of AutoZone's systems of internal accounting and financial controls;
- reviewing the internal audit function and the annual independent audit of AutoZone's financial statements;
- reviewing the overall corporate "tone" for quality financial reports, controls and ethical behavior; and
- issuing a report annually as required by the SEC's proxy solicitation rules.

In this context, “reviewing” means discussing with and making inquiry of management, internal auditors and independent auditors regarding such matters.

### ***Membership***

The Committee shall have at least three directors as members, up to a maximum as the Board of Directors may determine from time to time. The Committee shall consist solely of independent directors. An independent director is defined as a director who:

- has not been employed by AutoZone in 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 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.

Each audit committee member shall be financially literate and at least one member should be an “audit committee financial expert” as such is defined in Item 401(h) of Regulation S-K under the Securities Act of 1933, as amended.

The Board of Directors shall annually appoint Committee members and its chair, shall fill any vacancies as they occur, and may remove any member at any time.

### ***General Functions***

- A. The audit committee shall serve as an informed voice to the Board regarding AutoZone's accounting and auditing groups in their responsibilities for control and reporting of all financial transactions.
- B. The audit committee shall provide a channel of communication between the internal auditors, independent auditor, and the Board. The audit committee shall periodically meet in private session, separately, with management, the internal auditors and the independent auditor.
- C. The audit committee shall report committee actions to the Board and may make appropriate recommendations.
- D. The audit committee shall meet quarterly and even more frequently if circumstances warrant such meetings, as may be called by the chair of the Committee.
- E. While the audit committee has the responsibilities and powers set forth in this Charter, the audit committee shall not have the duty to plan or conduct audits or to determine that AutoZone's financial statements are complete and accurate and are 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.
- F. The audit committee, the Board, management, and the independent auditor shall jointly understand that the independent auditor is ultimately accountable to the audit committee.
- G. The audit committee, with the assistance of counsel and/or the company's independent auditor, shall reassess the adequacy of this Charter at least annually to ensure consistency with changing needs and compliance with all legal and regulatory requirements, and recommend any proposed changes to the Board for approval.

### ***Specific Functions***

The audit committee, as may be required by law, by the Securities and Exchange Commission, or by the rules of the New York Stock Exchange, or otherwise to the extent it deems necessary or appropriate shall perform the following functions:

- A. The audit committee shall review annually the qualifications and proposed audit fees for the next fiscal year of the independent auditor currently retained by the company and shall review such information regarding other potential independent auditors as the committee may deem appropriate. Further, the Committee shall consider whether, in order to assure continuing auditor independence, there should be regular rotation of the audit firm. Upon completion of the review, the audit committee shall be responsible directly for the appointment (subject, if applicable, to shareholder ratification), retention, termination, compensation and terms of engagement, evaluation, and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting).

independent auditor regarding financial reporting). The independent auditor shall report directly to the audit committee. The Committee shall present its conclusions with respect to the independent auditor to the full Board.

In its annual review of the independent auditor's qualifications, the Committee shall review:

- the proposed independent auditor's internal quality-control procedures; and
- any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm.

In addition to the annual review and retention of the independent auditor, the Committee shall have the right to dismiss the auditor if it deems necessary at any time.

- B. The audit committee shall discuss with the independent auditor its independence from management and AutoZone and the matters included in the written disclosures required by the Independence Standards Board.
- C. The audit committee shall, after completion of each annual audit, review with management and the independent auditor, the audit report, the management letter relating to the audit report, any significant questions (resolved or unresolved) between management and the independent auditor that arose during the audit or in connection with the preparation of the annual financial statements, and the cooperation afforded or limitations, if any, imposed by management in the conduct of the audit.
- D. The audit committee shall review and approve AutoZone's risk assessment and risk management policies. The committee will review internal audit's planned scope of work relative to the assessment and internal audit's evaluation of each identified issue.
- E. The audit committee shall provide oversight over the company's internal audit process by:
  - Ensuring that the company has an internal audit function.
  - Reviewing and concurring in the appointment, replacement, reassignment or dismissal of the senior internal audit executive, and the compensation package for such person.
  - Reviewing the significant reports to management prepared by the internal audit department and management's responses.
  - Communicating with management and the internal auditors to obtain information concerning internal audits, accounting principles adopted by the company, internal controls of the company, and reviewing the impact of each on the quality and reliability of the company's financial statements.
  - Evaluating the internal audit department and its impact on the accounting practices, internal controls and financial reporting of the company.

- Discuss with the independent auditor the internal audit department's responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit.
- F. The audit committee shall review the adequacy of AutoZone's information systems control and security with the independent auditor and the CFO.
- G. The audit committee shall review with the CFO and the independent auditor compliance with AutoZone's code of conduct.
- H. The audit committee shall review the legal and regulatory matters that may have a material effect on the organization's financial statements, compliance policies and programs.
- I. The audit committee shall review the quality, effectiveness and appropriateness of AutoZone's accounting practices and critical accounting policies.
- J. The audit committee shall review the interim financial statements, including the disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," with the CEO and CFO and other appropriate members of management and the independent auditor prior to the filing of AutoZone's Quarterly Report on Form 10-Q, and shall review with the CEO and CFO the contents of any required certification related to the filing of the Form 10-Q. Also, the committee shall discuss the results of the quarterly review and any other matters required to be communicated to the committee by the independent auditor under generally accepted auditing standards.
- K. The audit committee shall review with the CEO and CFO and other appropriate members of management and the independent auditor the information to be included in AutoZone's Annual Report on Form 10-K, including the disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and their judgment about the quality, not just acceptability, of the critical accounting policies and practices, the reasonableness of significant judgments, the alternatives available to AutoZone for applying different generally accepted accounting principles and the effect and desirability of such alternatives and the independent auditor's preferred treatment, and the clarity of the information disclosed. The committee shall also review with the CEO and CFO the contents of any required certification related to the filing of the Form 10-K. Also, the committee shall discuss the results of the annual audit and any other matters required to be communicated to the committee by the independent auditor under generally accepted auditing standards, by law, as required by the Securities and Exchange Commission, or the New York Stock Exchange.
- L. The audit committee shall review the adequacy of AutoZone's systems of internal accounting controls, review of overall compliance with administrative policies and recommend to the Board of Directors any changes in the system of internal controls, procedures and practices which the Committee determines to be appropriate. Such controls shall be evaluated through a review of the reports issued by AutoZone's internal auditors and the independent auditor, which identify and describe control weaknesses. The Committee shall inquire as to whether management is

management is taking appropriate corrective action.

- M. The audit committee shall review the scope and plan for the external audit and internal audits for the year.
- N. The audit committee shall review and report to the Board on compliance with the Foreign Corrupt Practices Act and AutoZone's policies on business integrity, and ethics and conflict of interest.
- O. Any retention of the independent auditor (or any affiliate of the independent auditor) for any audit or non-audit service, and the fee for such service, shall be approved by the audit committee prior to the engagement. The independent auditor shall not be retained for the purpose of performing:
- bookkeeping services or other services related to the accounting records or financial statements of AutoZone;
  - financial information systems design and implementation;
  - appraisal or valuations services, fairness opinions, or contribution-in-kind reports;
  - actuarial services;
  - internal audit outsourcing services;
  - management functions or human resources;
  - broker or dealer, investment adviser, or investment banking services;
  - legal services and expert services unrelated to the audit; or
  - any other service as prohibited by law, the Securities and Exchange Commission, the New York Stock Exchange, or the Public Company Accounting Oversight Board.

In making its consideration for approval, the Audit Committee shall consider:

- Whether the service is being performed principally for the audit committee;
- The effects of the service, if any, on audit effectiveness or on the quality and timeliness of the entity's financial reporting process;
- Whether the service would be performed by specialists (e.g., technology specialists) who ordinarily also provide recurring audit support;
- Whether the service would be performed by audit personnel and, if so, whether it will enhance their knowledge of the entity's business and operations;

- Whether the role of those performing the service (e.g., a role where neutrality, impartiality and auditor skepticism are likely to be subverted) would be inconsistent with the auditor's role;
- Whether the audit firm's personnel would be assuming a management role or creating a mutuality of interest with management;
- Whether the independent auditor, in effect, would be "auditing its own numbers;"
- The availability of alternative providers of the service and whether the project must be started and completed very quickly;
- Whether the audit firm has unique expertise in the service; and
- The size of the fee(s) for the non-audit service(s).

For purposes of this Charter, "non-audit services" shall mean services provided by the independent auditor other than those services provided in connection with an audit or a review of AutoZone's financial statements.

- P. The audit committee shall approve employment as an AutoZone officer any employee of the independent auditor that worked on AutoZone's account in the prior year before the offer of employment is tendered to the prospective officer. However, under no circumstance may AutoZone hire any person that was an employee of the independent auditor and performed audit services for AutoZone as AutoZone's CEO, CFO, Controller, or any person performing any similar function, unless at least a period of one year has passed since the termination of such person's employment as an employee of the independent auditor. Upon granting of any approval to hire a former employee of the independent auditor, the audit committee may require that AutoZone or the independent auditor, or both, develop an appropriate plan to maintain the auditor's independence.
- Q. The audit committee shall annually obtain assurance from the independent auditor that Section 10A of the Securities Exchange Act of 1934 has not been implicated.
- R. The audit committee shall prepare the report required by the rules of the Securities and Exchange Commission for inclusion in AutoZone's proxy statement.
- S. The audit committee shall be completely accessible to the CFO, the independent auditor, the internal auditors, and management (both individually and collectively) to discuss any matters the committee or these persons believe should be discussed privately with the audit committee.
- T. The audit committee shall establish procedures for:
- the receipt, retention and treatment of complaints received by AutoZone regarding accounting, internal accounting controls, or auditing matters; and
  - the confidential, anonymous submission by AutoZone employee of concerns regarding questionable accounting or auditing matters.

- U. The audit committee shall assure that the lead (or coordinating) audit partner (having primary responsibility for the audit), or the audit partner responsible for reviewing the audit, has not performed audit services for AutoZone in each of the five previous fiscal years.
- V. The audit committee shall discuss with management AutoZone's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.
- W. The audit committee shall annually review with the internal auditors AutoZone's policies and practices regarding expenses reimbursed for executive officers and other perquisites including use of corporate assets.

### ***Consultants***

The Committee shall have the authority to retain consultants or counsel of its selection to advise it with respect to its work.

### ***Funding***

The Company must provide for appropriate funding, as determined by the audit committee, in its capacity as a committee of the board of directors, for the payment of:

- compensation to any public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the listed issuer;
- compensation to any advisers employed by the Committee; and
- ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

### ***Committee Evaluation***

The Committee shall establish criteria and procedures for evaluating the performance of the Committee. Using the criteria and procedures developed, the Committee shall perform an annual evaluation of the performance of the Committee.

### ***Meetings***

A quorum for any Committee meeting shall be a majority of the Committee members.

The action of a majority of the members present at any meeting in which a quorum is present shall be the action of the Committee.

Notice for all meetings shall be given as required by AutoZone's Bylaws.

Committee meetings may be held in person, by telephone, or any other method of communication in which all committee members may be heard. In lieu of a meeting, a Committee may act by unanimous written consent.

The chair of the Committee shall report results of its meeting to the full Board of Directors at the next following Board meeting.

The agenda and other materials for any meeting should be provided to Committee members in advance of the meeting as may be practical.

The CFO shall coordinate the Committee meeting notices and distribution of materials to Committee members.