

AUTOZONE, INC.
COMPENSATION COMMITTEE
CHARTER

Authority

This Compensation Committee Charter was adopted by the Board of Directors of AutoZone, Inc., on August 27, 2002, and amended on June 9, 2004.

Purpose

The Compensation Committee shall:

- Review and approve AutoZone’s compensation objectives;
- Review and approve the compensation programs, plans and awards for executive officers;
- Act as administrator as may be required by AutoZone’s short- and long-term incentive plans and other stock or stock-based plans; and
- Issue a report annually related to executive compensation, as required by the Securities and Exchange Commission's proxy solicitation rules.

As used in this Charter, “executive officer” shall mean all officers serving on AutoZone’s Executive Committee.

Membership

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

- is a “non-employee director” as defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended;
- is an “outside director” as defined in Section 162(m) of the Internal Revenue Code, as amended;
- 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 any AutoZone executive officer;
- is not affiliated with a significant customer or supplier of AutoZone;
- has no personal services contract with AutoZone or any AutoZone executive officer;
- 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 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

Executive Compensation

The Committee shall:

- Annually review and counsel with the CEO regarding long and short term compensation, objectives and policies.
- Approve performance goals established for the purpose of paying incentive compensation for executive officers as may be required by annual and long-term incentive plans.
- Annually review executive officers' compliance with any stock ownership requirements as established by the Board.
- Act as administrator as may be required by incentive compensation plans, stock-related plans, and non-qualified retirement plans in which the CEO and other executive officers and key employees may be participants, including reviewing and approving:
 - option guidelines and general size of overall grants;

- stock option grants, and terminating or modifying such grants as may be permitted under a plan;
 - issuing interpretations and making rules as may be necessary from time to time under the terms of a plan;
 - employee eligibility requirements to participate in annual and long-term incentive plans and non-qualified retirement plans; and
 - plan amendments as may be required from time to time to fit AutoZone's changing needs or law changes. If required by law or a plan, make recommendations for such amendments to the full Board or the stockholders.
- Assure that any payments under the annual and long-term incentive plans are in conformance with the plans as approved by the stockholders (where required) and the goals as established by the Committee.
 - Periodically review participation in and stock issuances under any employee stock purchase plan.
 - Annually issue a report on executive compensation in accordance with the proxy solicitation rules of the Securities and Exchange Commission for inclusion in AutoZone's proxy statement.
 - Approve terms and conditions of employment for AutoZone's executive officers (other than the CEO) and authorize execution of employment agreements containing such terms.
 - Study compensation approaches of other companies and assure that AutoZone's compensation and philosophy remains appropriate to attract and retain high quality executives.
 - Lead the independent directors in the evaluation of the performance of the CEO in meeting established goals and objectives.
 - Approve the compensation level for the CEO, including salary and incentive compensation.
 - Review and approve any long-term incentive award for the CEO.
 - 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.

Consultants

The Committee shall have the authority to retain consultants of its selection to advise it with respect to AutoZone's compensation programs. The Committee shall have the sole authority to retain and terminate any compensation consultants for use by the Committee, including sole

authority to approve the firm's fees and other retention terms. The Committee may limit the use of the Committee's compensation consultants by AutoZone's management as the Committee may deem appropriate.

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 Senior Vice President – Human Resources shall be management's representative to the Committee and shall act as the Committee's secretary.

The Committee shall meet at least one time per year and at other such times as directed by the Committee's chair.

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

The Committee's secretary shall coordinate the Committee meeting notices and distribution of materials to Committee members.

The Committee may appoint such subcommittees with responsibilities as it may determine appropriate from time to time.