

## Registration Statement under the Securities Act of 1933

AUTOZONE, INC.  
 (Exact name of registrant as specified in its charter)

Nevada  
 (State or other jurisdiction of  
 incorporation or organization)

62-1482048  
 (I.R.S. Employer  
 Identification No.)

123 South Front Street  
 Memphis, Tennessee 38103  
 (Address of Principal Executive Offices) (Zip Code)

AUTOZONE, INC. DIRECTOR COMPENSATION PLAN  
 (Full title of the plan)

Harry L. Goldsmith  
 Secretary  
 123 South Front Street  
 Memphis, Tennessee 38103  
 (Name and address of agent for service of process)

(901) 495-6500  
 (Telephone number, including area code,  
 of agent for service of process)

## Calculation of Registration Fee

Title of securities to be registered	Amount to be registered	Proposed maximum offering price per unit (1)	Proposed maximum aggregate offering price (1)	Amount of registration fee
Common Stock \$.01 par value	20,000	\$33.0625	\$661,250.00	\$195.07

(1) Estimated solely for the purposes of calculating the amount of the registration fee pursuant to Rule 457(h) on the basis of the average of the high and low price for shares of the Registrant's Common Stock as reported on the New York Stock Exchange, Inc. composite tape on March 27, 1998.

## PART I

## Item 1. Plan Information

Not required to be filed with this Registration Statement.

## Item 2. Registrant Information and Employee Plan Annual Information

Not required to be filed with this Registration Statement.

## PART II

## Item 3. Incorporation of Documents by Reference

The following documents filed with the Commission by AutoZone, Inc., a Nevada corporation ("AutoZone" or the "Company"), are incorporated as of their respective dates in this Registration Statement by Reference:

- a. Annual Report on Form 10-K for the fiscal year ended August 30, 1997.
- b. Quarterly Report on Form 10-Q for the fiscal quarter ended November 22, 1997.
- c. Quarterly Report on Form 10-Q for the fiscal quarter ended February 14, 1998.
- d. Proxy Statement dated November 8, 1997.

All documents filed by the Company pursuant to Section 13(a) and 15(d) of the Securities Exchange Act of 1934 ("Exchange Act") after the date of this

Registration Statement and prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities than remaining unsold, shall be deemed to be incorporated by reference in this Registration Statement and to be part hereof from the date of filing such documents.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

#### Item 4. Description of Securities

Not applicable.

#### Item 5. Interests of Named Experts and Counsel

Certain legal matters in connection with the sale of the shares of Common Stock offered hereby will be passed upon for the Company by Harry L. Goldsmith, General Counsel, Senior Vice President and Secretary of the Company. Mr. Goldsmith is an owner of Common Stock of the Company and has received options to purchase additional Common Stock.

#### Item 6. Indemnification of Officers and Directors

The Company's Articles of Incorporation provide that a director or officer of AutoZone shall not be personally liable to AutoZone or its stockholders for damages for any breach of fiduciary duty as a director or officer, except for liability for (i) acts or omission which involve intentional misconduct, fraud or a knowing violation of law, or (ii) the payment of distributions in violation of Nevada Revised Statutes 78.300. In addition, Nevada Revised Statutes 78.751 and Article II, Section 13 of AutoZone's Bylaws, under certain circumstances, provide for the indemnification of AutoZone's officers, directors, employees, and agents against liabilities which they may incur in such capacities. A summary of the circumstances in which such indemnification is provided for is contained herein, but that description is qualified in its entirety by reference to Article III, Section 13 of AutoZone's Bylaws.

In general, any officer, director, employee or agent shall be indemnified against expenses including attorneys' fees, fines, settlements or judgments which were actually and reasonably incurred in connection with a legal proceeding, other than one brought by or on the behalf of AutoZone, to which he was a party as a result of such relationship, if he acted in good faith, and in the manner he believed to be in or not opposed to AutoZone's best interest and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. If the action or suit is brought by or on behalf of AutoZone, the person to be indemnified must have acted in good faith and in a manner he reasonably believed to be in or not opposed to AutoZone's best interest. No indemnification will be made in respect of any claim, issue or matter as to which such person shall have been adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable to AutoZone or for amounts paid in settlement to AutoZone, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction, determines upon application that in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

Any indemnification under the previous paragraphs, unless ordered by a court or advanced as provided in the succeeding paragraph, must be made by AutoZone only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances. The determination must be made (i) by the stockholders, (ii) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to the act, suit or proceeding, (iii) if a majority vote of a quorum of directors who were not parties to the act, suit or proceeding so orders, by independent legal counsel in a written opinion, or (iv) if a quorum consisting of directors who were not parties to the act, suit or proceeding cannot be obtained, by independent legal counsel in a written opinion. To the extent that a director, officer, employee, or agent of AutoZone has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in the previous paragraph, or in defense of any claim, issue or matter therein, he must be indemnified by AutoZone against expenses, including attorneys' fees, actually and reasonably incurred by him in connection with the defense.

Expenses incurred by an officer or director in defending a civil or criminal action, suit or proceeding must be paid by AutoZone as they are incurred and in advance of the final disposition of the action, suit or proceeding, upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that he is not entitled to be indemnified by AutoZone as

authorized by the Bylaws. Such expenses incurred by other employees and agents by be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.

The indemnification and advancement of expenses authorized in or ordered by a court as provided in the foregoing paragraphs does not exclude any other rights to which a person seeking indemnification or advancement of expenses may be entitled under the Articles of Incorporation or any bylaw, agreement, vote of stockholders or disinterested director or otherwise, for either an action in his official capacity or an action in another capacity while holding his office, except that indemnification, unless ordered by a court as described in the third preceding paragraph or for advancement of expenses made as described in the preceding paragraph, may not be made to or on behalf of any director or officer if a final adjudication establishes that his acts involved intentional misconduct, fraud or a knowing violation of the law and was material to the cause of action. If a claim for indemnification or payment of expenses under Section 13 of the Bylaws is not paid in full within ninety (90) days after a written claim therefor has been received by AutoZone, the claimant may file suit to recover the unpaid amount of such claim, and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action, AutoZone shall have the burden of proving that the claimant was not entitled to the requested indemnification or payment of expenses under applicable law.

The Board of Directors may authorize, by a vote of a majority of a quorum of the Board of Directors, AutoZone to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of AutoZone, or is or was serving at the request of AutoZone as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not AutoZone would have the power to indemnify him against such liability under the provisions of Section 13 of the Bylaws. The Board of Directors may authorize AutoZone to enter into a contract with any person who is or was a director, officer, employee or agent of AutoZone or is or was serving at the request of AutoZone as a director, officer, employee, or agent of another partnership, joint venture, trust or other enterprise providing for indemnification rights equivalent to or, if the Board of Directors so determines, greater than those provided for in Section 13 of the Bylaws.

AutoZone has also purchased insurance for its directors and officers for certain losses arising from claims or charges made against them in their capacities as directors and officers of AutoZone.

Item 7. Exemption from Registration Claimed

Not applicable.

Item 8. Exhibits

- 4.1 AutoZone, Inc., 1998 Director Compensation Plan.
- 5.1 Opinion of Harry L. Goldsmith, General Counsel of AutoZone, Inc.
- 23.1 Consent of Ernst & Young LLP
- 23.2 Consent of Harry L. Goldsmith, General Counsel of AutoZone, Inc. (included in the opinion filed as Exhibit 5.1)
- 24.1 Power of Attorney (incorporated in the Signature Page to the Registration Statement)

Item 9. Undertakings

(a) The undersigned registrant hereby undertakes:

(1) to file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) shall not apply to information contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are

incorporated by reference in this Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities being offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than payment by the registrant of expenses incurred or paid by a director, officer or other controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Memphis, State of Tennessee, on March 31, 1998.

AUTOZONE, INC.

By: /S/ J.C. ADAMS, JR.  
 -----  
 J.C. Adams, Jr.  
 Chairman, Chief Executive Officer  
 and Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Harry L. Goldsmith and Donald R. Rawlins, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following person in the capacities and on the dates indicated:

SIGNATURE	TITLE	DATE
/S/ J.C. ADAMS, JR. ----- J. C. Adams, Jr.	Chairman, Chief Executive Officer and Director (Principal Executive Officer)	March 17, 1998
/S/ TIMOTHY D. VARGO ----- Timothy D. Vargo	President, Chief Operating Officer, and Director	March 17, 1998
/S/ ROBERT J. HUNT ----- Robert J. Hunt	Executive Vice President, Chief Financial Officer and Director (Principal Financial Officer)	March 17, 1998
/S/ MICHAEL E. BUTTERICK ----- Michael E. Butterick	Vice President and Controller Principal Accounting Officer)	March 17, 1998
/S/ ANDREW M. CLARKSON ----- Andrew M. Clarkson	Director	March 17, 1998
/S/ N. GERRY HOUSE ----- N. Gerry House	Director	March 17, 1998
/S/ J.R. HYDE, III ----- J.R. Hyde, III	Director	March 17, 1988
/S/ JAMES F. KEEGAN ----- James F. Keegan	Director	March 17, 1998
/S/ MICHAEL W. MICHELSON ----- Michael W. Michelson	Director	March 17, 1998
/S/ JOHN E. MOLL		

- -----  
John E. Moll

Director

March 17, 1998

/S/ RONALD A. TERRY  
-----  
Ronald A. Terry

Director

March 17, 1998

/S/ GEORGE R. ROBERTS  
-----  
George R. Roberts

Director

March 17, 1998

EXHIBIT INDEX

- 4.1 AutoZone, Inc., 1998 Director Compensation Plan.
- 5.1 Opinion of Harry L. Goldsmith, General Counsel of AutoZone, Inc.
- 23.1 Consent of Ernst & Young LLP
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(included in the opinion filed as Exhibit 5.1)
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AUTOZONE, INC.  
DIRECTOR COMPENSATION PLAN

## SECTION 1. PURPOSE.

This Director Compensation Plan (this "Plan") is established to allow the Non-Employee Directors of AutoZone, Inc. ("AutoZone") to participate in the ownership of AutoZone through ownership of shares of AutoZone Common Stocks or units representing the right to receive shares of AutoZone Common Stock. In addition, the Plan is intended to allow AutoZone's Non-Employee Directors to defer all or a portion of their compensation for their service as directors of AutoZone.

## SECTION 2. DEFINITIONS.

As used herein, the following words shall have the definitions given them below:

"Affiliate" means any corporation, company limited by shares, partnership, limited liability company, business trust, other entity, or other business association that is controlled by AutoZone.

"Board" means the Board of Directors of AutoZone.

"Business Day" means on a day which AutoZone's executive offices in Memphis, Tennessee are open for business and on which trading is conducted on the New York Stock Exchange.

"Common Stock" means the Common Stock, \$0.01 par value per share, of AutoZone.

"Compensation Date" means the first Business Day of each Fiscal Quarter.

"Deferral Account" means an account established upon the conversion of a Unit Account by a Director and maintained in the Special Ledger for such Director to which cash equivalent amounts allocable to the Director under this Plan are credited.

"Director" means any member of the Board who is not an employee or officer of AutoZone or an Affiliate.

"Fair Market Value" means, as to any particular day, the average of the highest and lowest prices quoted for a share of Common Stock trading on the New York Stock Exchange on that day, or if no such prices were quoted for the shares of Common Stock on the New York Stock Exchange for that day for any reason, the average of the highest and lowest prices quoted on the last Business Day on which prices were quoted. The highest and lowest prices for the shares of Common Stock shall be those published in the edition of The Wall Street Journal or any successor publication for the next Business Day.

"Fee" means the amount of compensation (including, without limitation, annual Director fees and meeting fees) set by the Board from time to time as payable to a Director in each Plan Year on the terms and subject to the conditions stated in this Plan, subject to reduction for any portion thereof that a Director elects to defer as provided in this Plan.

"First Component" means the portion of the Fee payable to a Director that accounts for at least one-half of the Fee and that is payable in Shares and may be deferred by crediting Units to a Unit Account maintained for the Director.

"Fiscal Quarter" means each 12-week or 16-week fiscal period corresponding to the Company's quarterly accounting period.

"Interest Rate" means the annual rate at which interest is deemed to accrue on the amounts credited in a Deferral Account for a Director. The Interest Rate shall be set by the Board or a committee of the Board and may be changed from time to time as necessary to reflect prevailing interest rates.

"Plan Year" means each 12-month period corresponding to the Company's annual accounting period.

"Second Component" means the balance, if any of the Fee (after reduction for the First Component) payable to a Director in cash.

"Shares" means shares of Common Stock.

"Special Ledger" means a record established and maintained by AutoZone in which the Deferral Accounts and Unit Accounts for the Directors, if any, and the Units and/or amounts credited to the accounts,



are noted.

"Termination Date" means the date on which a Director ceases to be a member of the Board.

"Unit Account" shall mean the account maintained in the Special Ledger for a Director to which Units allocable to the Director under this Plan are credited.

"Unit" means a credit in a Director Unit Account representing one share.

### SECTION 3. ANNUAL FEE.

During each Plan Year in which a person is a Director and is entitled to receive the Fee during the existence of the Plan, the Director will be eligible to receive the Fee payable as follows:

At least one-half of the Fee shall be and, at the Directors' option, up to the full amount of the Fee (defined above as the "First Component") will be (1) payable to the Director in Shares, or (2) at the Director's option, deferred by having AutoZone credit Units to a Unit Account maintained for the Director as provided in this Plan.

The balance of the Fee (defined above as the "Second Component"), if any, shall be payable to the Director in cash.

The Fee will be payable in advance in equal quarterly installments on each Compensation Date unless deferred as provided herein. Each quarterly installment will consist of one-fourth of the First Component and one-fourth of the Second Component, if any, for each Director.

### SECTION 4. ELECTIONS.

With respect to each Plan Year, each Director who was a Director during the prior Plan Year must elect by no later than August 31 of the prior Plan Year how he or she will receive the Fee for the Plan Year; provided, however, that with respect to the initial partial Plan Year beginning March 17, 1998 (the "1998 Plan Year"), each Director who was a Director during the prior Plan Year must elect by no later than April 15, 1998 how he or she will receive the Fee for the remainder of the 1998 Plan Year. Each Director who becomes a Director during a Plan Year must elect within 30 days after becoming a Director how he or she will receive the Fee for such Plan Year. Each election must be made by the Director filing an election form with the Secretary of AutoZone. If a Director does not file an election form for each Plan Year by the specified date the Director will be deemed to have elected to receive and defer the Fee in the manner elected by the Director in his or her last valid election or, if there had been no prior election, will be deemed to have elected to receive all of the Fee in Shares. Any election to defer a portion of the Fee made by a person who becomes a Director during a Plan Year will be valid as to the portion of the Fee received after the election is filed with the Secretary of AutoZone. When an election is made for a Plan Year, the Director may not revoke or change that election with respect to such Plan Year.

### SECTION 5. THE SHARES.

If a Director elects to receive Shares in payment of all or any part of the Director's Fee, the number of Shares to be issued on any Compensation Date shall be a whole number of shares nearest to one-fourth of the amount of the Fee to be paid in Shares for the Plan Year divided by the Fair Market Value of a Share on the Compensation Date. Any Shares issued under this Plan will be registered under the Securities Act of 1933, as amended, and, so long as shares of the Common Stock are listed for trading on the New York Stock Exchange, will be listed for trading on the New York Stock Exchange.

### SECTION 6. THE UNITS.

If a Director defers any portion of the Fee in the form of Units, then on each Compensation Date, AutoZone will credit a Unit Account maintained for the Director with a number of Units (rounded to the nearest one-hundredth) equal to (1) one-fourth of the dollar amount of the Fee that the Director has elected to defer in the form of Units for the Plan Year divided by (2) the Fair Market Value of a Share on the Compensation Date. If the Common Stock is the subject of a stock dividend, stock split, or a reverse stock split, the number of Units will be increased or decreased, as the case may be, in the same proportion as the outstanding shares of Common Stock. AutoZone will credit to the Director's Unit Account on the date any dividend is paid on the Common Stock, an additional number of Units equal to (i) the aggregate amount of the dividend that would be paid on a number of Shares equal to the number of Units credited to the Director's Unit Account on the date the dividend is paid divided by (ii) the Fair Market Value of a Share on that date.

#### SECTION 7. DISTRIBUTION OF THE AMOUNTS IN A UNIT ACCOUNT.

Upon the Termination Date for a former Director, such former Director shall be entitled to receive that whole number of Shares nearest to the number of Units with which the former Director's Unit Account is credited. Subject to Section 11 hereof, the former Director may elect to receive such Shares in any one of the following forms:

(a) a single lump-sum issuable as soon as practicable after the Termination Date; or

(b) a single lump-sum issuable as soon as practicable after the fifth anniversary of the Termination Date; or

(c) a single lump-sum issuable as soon as practicable after the tenth anniversary of the Termination Date; or

(d) two (2) equal installments, one of which shall be issuable as soon as practicable after the fifth anniversary of the Termination Date and the other of which shall be issuable as soon as practicable after the tenth anniversary of the Termination Date, as provided below.

If the former Director has elected to receive the Shares in the manner set forth in (d) above (i.e., in two equal installments), one-half of the Shares credited to the Unit Account as of the Termination Date will be issued to the former Director for each installment plus additional Shares equal to the Units credited to the Unit Account respecting dividends paid on the Common Stock since the prior installment was made (or, in the case of the first installment, since the Termination Date).

#### SECTION 8. CONVERSION OF UNIT ACCOUNT.

A Director who has a Unit Account may convert all (but not less than all) of the Unit Account into a Deferral Account, provided that such Director delivers notice to AutoZone of such election to convert at least 12 full months prior to the Director's Termination Date. The cash amount to be credited to the Director's Deferral Account upon the conversion shall equal (i) the number of Units credited to his or her Unit Account so converted multiplied by (ii) the Fair Market Value of a Share on the date of the Director's election to convert.

Any election to convert must be made on a form prescribed by AutoZone and filed with its Secretary. The conversion of a Unit Account or a Deferral Account shall be deemed to occur on the date of the Director's election, except that, unless the Board provides otherwise, any portion of a Unit Account granted within six months of the date of election shall be converted to a Deferral Account six months and one day from the date in which the Units representing such portion were credited to the Unit Account.

A Deferral Account shall accrue interest from the effective date of conversion at the London Interbank Offering Rate (LIBOR) plus twenty-two basis points, accrued and compounded quarterly.

#### SECTION 9. DISTRIBUTION OF THE AMOUNTS IN A DEFERRAL ACCOUNT.

Upon the Termination Date for a former Director, such former Director shall be entitled to receive an amount of cash equal to the amount with which the former Director's Deferral Account is credited. Subject to Section 11 hereof, the former Director may elect to receive such cash in any one of the following forms:

(a) a single lump-sum payable as soon as practicable after the Termination Date; or

(b) a single lump-sum payable as soon as practicable after the fifth anniversary of the Termination Date; or

(c) a single lump-sum payable as soon as practicable after the tenth anniversary of the Termination Date; or

(d) two (2) equal installments, one of which shall be payable as soon as practicable after the fifth anniversary of the Termination Date and the other of which shall be payable as soon as practicable after the tenth anniversary of the Termination Date, as provided below.

If the former Director has elected to receive the cash in the manner set forth in (d) above (i.e., in two equal installments), one-half of the amount credited to the Deferral Account as of the Termination Date will be paid in each installment, along with the additional amount credited to the Deferral Account as interest (at the Interest Rate) since the prior installment was paid (or, in the case of the first installment, since the Termination Date).

#### SECTION 10. DISTRIBUTION IN THE EVENT OF A DIRECTOR'S DEATH.

Each Director who defers any part of the Fee payable to him or her in any Plan Year may designate one or more beneficiaries of the Director's Unit Account (or, if applicable, the Director's Deferral Account) which may be changed from time to time upon written notice to AutoZone. The designation of a beneficiary must be made by filing with AutoZone's Secretary a form prescribed by AutoZone. If no designation of a beneficiary is made, any deferred benefits under this Plan will be paid to the Director's or former Director's estate. If a Director dies while in office or a former Director dies during the installment payment period, AutoZone will issue the Shares that are issuable (or if applicable, pay the amounts of cash that are payable) to the Director or former Director in the manner set forth in the most recent timely election filed by such Director or former Director, or if no such election has been filed, in a single lump-sum as soon as practicable after the death of the Director or the former Director.

#### SECTION 11. TIMING OF ELECTION TO RECEIVE DEFERRED BENEFITS IN INSTALLMENTS.

If a Director desires to have his Unit Account and/or Deferral Account distributed in installments as provided in Section 7(d) or Section 9(d) hereof, the election to receive payments in installments must be delivered to the Secretary of AutoZone at least 12 full months prior to the Director's Termination Date. Any such election delivered by the Director within the 12-month period ending on the Director's Termination Date shall be of no force or effect. If a Director has filed more than one timely election, the most recent such election shall govern and all prior elections shall be superseded and shall be of no force or effect.

#### SECTION 12. HOLDING PERIOD

Notwithstanding anything contained herein, unless the Board provides otherwise, (i) no Shares issued hereunder may be sold, assigned or otherwise transferred until at least six months and one day have elapsed from the date on which such Shares were issued, and (ii) no right or interest of a Director or a former Director in Units credited his or her Unit Account hereunder (including Units credited to such Unit Account respecting dividends paid on the Common Stock) shall be sold, assigned or otherwise transferred until at least six months and one day have elapsed from the date on which such Units were credited to such Unit Account, except by will or in accordance with the laws of decent and distribution.

#### SECTION 13. HARDSHIP WITHDRAWALS.

Prior to the complete distribution of a Director's Unit Account and/or Deferral Account, such Director may request a withdrawal of any portion of his or her Unit Account or Deferral Account in an amount sufficient to meet a "hardship." For purposes of this Plan, "hardship" shall mean a demonstrated and severe financial hardship resulting from any one or more of the following: (i) sudden or unexpected illness or accident of the Director or of a dependent (as defined in Section 152(a) of the Internal Revenue Code of 1986, as amended) of the Director, (ii) a loss of the Director's property due to casualty, or (iii) any other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the Director's control; in each case only to the extent that the hardship is not relieved (a) through reimbursement or compensation by insurance or otherwise, (b) by liquidation of the Director's assets (to the extent that such liquidation does not itself cause a "hardship"), or (c) by cessation of deferrals under the Plan. The Board, in its sole and absolute discretion, shall determine the existence of a bona fide hardship based on non-discriminatory procedures, taking into account any then applicable rulings or regulations from the Internal Revenue Service. The standards established by the Board for determining the existence of hardship shall be uniformly applied to all Directors who request such a withdrawal and the Board's decision with respect to each such request shall be final.

An approved hardship withdrawal shall be paid to the Director in cash as soon as practicable after the approval. In the event that part or all of the withdrawal is to be made from a Unit Account, a number of Units equal to (i) the amount of the hardship withdrawal required to be made from the Unit Account, divided by (ii) the Fair Market Value of a Share on the date of approval, shall be converted into cash and paid to the Director as provided herein, and the balance of the Unit Account shall be reduced accordingly.

#### SECTION 14. WITHHOLDING FOR TAXES.

AutoZone will withhold the amount of cash and Shares necessary to satisfy AutoZone's obligation to withhold federal, state, and local income and other taxes on any benefits received by the Director, the former Director or a beneficiary under this Plan

#### SECTION 15. NO TRANSFER OF RIGHTS UNDER THE PLAN.

A Director or former Director shall not have the right to transfer, grant any security interest in or otherwise encumber rights he or she may

have under this Plan, any Deferral Account or any Unit Account maintained for the Director or former Director or any interest therein. No right or interest of a Director or a former Director in a Deferral Account or a Unit Account shall be subject to any forced or involuntary disposition or to any charge, liability, or obligation of the Director or former Director, whether as the direct or indirect result of any action of the Director or former Director or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be null, void, and without effect.

SECTION 16. UNFUNDED PLAN.

This Plan will be unfunded for federal tax purposes. The Deferral Accounts and the Unit Accounts are entries in the Special Ledger only and are merely a promise to make payments in the future. AutoZone's obligations under this Plan are unsecured, general contractual obligations of AutoZone.

SECTION 17. AMENDMENT AND TERMINATION OF THE PLAN.

The Board may amend or terminate this Plan at any time. An amendment or the termination of this Plan will not adversely affect the right of a Director, former Director, or Beneficiary to receive Shares issuable or cash payable at the effective date of the amendment or termination or any rights that a Director, former Director, or a Beneficiary has in any Deferral Account or Unit Account at the effective date of the amendment or termination. If the Plan is terminated, however, AutoZone may, at its option, accelerate the payment of all deferred and other benefits payable under this Plan.

SECTION 18. GOVERNING LAW.

This Plan shall be administered, interpreted and enforced under the internal laws of the State of Nevada without regard to the conflicts of law rules thereof. AutoZone has the right to interpret this Plan, and any interpretation by AutoZone shall be conclusive as to the meaning of this Plan.

SECTION 19. SHARES SUBJECT TO THE PLAN.

AutoZone shall reserve 20,000 Shares for issuance under the Plan. All Shares issuable under the Plan shall be treasury shares of Common Stock. No Plan participant shall have any of the rights or privileges of a stockholder of the Company in respect to any of the Shares unless and until certificates representing such Shares have been issued by the Company.

SECTION 20. EFFECTIVE DATE.

The effective date of this Plan shall be March 17, 1998.

\* \* \*

I hereby certify that the foregoing Plan was duly adopted by the Board of Directors of AutoZone, Inc. on March 17, 1998.

Executed this 18{th} day of March, 1998.

Harry L. Goldsmith  
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Secretary

MARCH 31, 1998

AutoZone, Inc.  
123 South Front Street  
Memphis, Tennessee 38103

RE: AutoZone, Inc., Common Stock  
par value \$.01 per share

Ladies and Gentlemen:

I have examined or have caused persons under my supervision to examine the Registration Statement on Form S-8 (the "Registration Statement"), which AutoZone, Inc. (the "Company") intends to file with the Securities and Exchange Commission in connection with the registration under the Securities Act of 1933, as amended, of 20,000 shares of Common Stock, \$.01 par value (the "Shares"), which are to be offered under the AutoZone, Inc. 1998 Director Compensation Plan (the "Plan"). I am familiar with the proceedings taken and to be taken in connection with the authorization, issuance and sale of the Shares. Additionally, I have examined such questions of law and fact as I have considered necessary or appropriate for purposes of this opinion.

Based upon the foregoing and the proceedings to be taken by the Company as referred to above, I am of the opinion that the Shares to be issued under the Plan have been duly authorized, and upon the issuance of Shares under the terms of the Plan (assuming that, at the time of such issuance, the company has a sufficient number of authorized and unissued shares available therefor), such Shares will be validly issued, fully paid and nonassessable.

I consent to the filing of this opinion as an exhibit to the Registration Statement.

Yours truly,

/s/ Harry L. Goldsmith

Harry L. Goldsmith  
General Counsel

## CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-00000) pertaining to the AutoZone, Inc. Director Compensation Plan of our reports dated September 19, 1997, with respect to the consolidated financial statements of AutoZone, Inc. incorporated by reference in its Annual Report (Form 10-K) for the year ended August 30, 1997 and the related financial statement schedules included therein, filed with the Securities and Exchange Commission.

/s/ ERNST & YOUNG LLP

Memphis, Tennessee  
March 26, 1998