

AUTOZONE INC  
Form DEF 14A  
October 27, 2014  
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**SCHEDULE 14A INFORMATION**

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

**Exchange Act of 1934 (Amendment No. )**

Filed by the Registrant

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))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under 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):

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**AUTOZONE, INC.**  
**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**  
**DECEMBER 18, 2014**

**What:** Annual Meeting of Stockholders

**When:** December 18, 2014, 8:00 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 eleven directors

Approval of the 2015 Executive Incentive Compensation Plan

Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the 2015 fiscal year

Advisory vote on executive compensation

Action upon a stockholder proposal, if properly presented at the Annual Meeting

The transaction of other business that may be properly brought before the meeting

**Record Date:** Stockholders of record as of October 20, 2014, may vote at the meeting.

By order of the Board of Directors,

Kristen C. Wright  
Secretary

Memphis, Tennessee

October 27, 2014

**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.**

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**AutoZone, Inc.**

123 South Front Street

Memphis, Tennessee 38103

**Proxy Statement**

for

**Annual Meeting of Stockholders**

**December 18, 2014**

**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 8:00 a.m. CST on December 18, 2014.

**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, us, and the Company mean AutoZone, Inc.

Annual Meeting or Meeting means the Annual Meeting of Stockholders to be held on December 18, 2014, at 8:00 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. 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 20, 2014.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON DECEMBER 18, 2014.** This Proxy Statement and the annual report to security holders are available at [www.autozoneinc.com](http://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 eleven directors;
2. to approve the 2015 Executive Incentive Compensation Plan;
3. to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the 2015 fiscal year;



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4. to approve an advisory proposal on executive compensation; and
5. to act upon a stockholder proposal, if properly presented at the Annual Meeting

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 20, 2014. 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 20, 2014, we had 32,040,703 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 to 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 the 2015 Executive Incentive Compensation Plan, FOR Ernst & Young LLP as independent registered public accounting firm, FOR the advisory proposal on executive compensation, AGAINST the stockholder proposal concerning political disclosure and accountability, 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.

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### **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?**

There are no agreements with any stockholders concerning the Annual Meeting.

## **Corporate Governance Matters**

### **Independence**

#### ***How many independent directors does AutoZone have?***

Our Board of Directors has determined that ten of our current eleven directors are independent: Douglas H. Brooks, Linda A. Goodspeed, Sue E. Gove, Earl G. Graves, Jr., Enderson Guimaraes, J.R. Hyde, III, D. Bryan Jordan, W. Andrew McKenna, George R. Mrkonic, Jr., and Luis P. Nieto, Jr. 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;

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

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;

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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 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 2014, 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. Jordan is the Chairman of the Board, President and Chief Executive Officer and a member of the board of directors of First Horizon National Corporation, parent company of First Tennessee Bank, which

participates in one of AutoZone's supplier confirmed receivables programs (under which some AutoZone vendors are borrowers, but AutoZone is not);

has established a Daylight Overdraft line which allows AutoZone to make large payments early in the morning creating a daylight overdraft which is rectified at the end of the day;

acts as Trustee for AutoZone's pension plan;

offers brokerage services to AutoZone employees exercising stock options, and

holds various AutoZone deposit accounts.

During fiscal 2014, First Horizon National Corporation did business with AutoZone in arm's length transactions which were not, individually or cumulatively, material to either AutoZone or First Horizon National Corporation and which did not materially benefit Mr. Jordan, either directly or indirectly.

The Board also considered the fact that Mr. Brooks is a member of the board of directors of Southwest Airlines. During fiscal 2014, AutoZone purchased airline tickets from Southwest Airlines which were not, individually or cumulatively, material to either AutoZone or Southwest Airlines and which did not materially benefit Mr. Brooks, either directly or indirectly.

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. Brooks, Graves, Guimaraes, Hyde, Jordan, McKenna, Mrkonjic, or Nieto or Ms. Goodspeed or 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.



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### **Board Leadership Structure**

Our Board believes that having a combined Chairman/CEO, independent members and chairs for each of our Board committees and an independent 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.

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 management (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

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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](http://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 2014 fiscal year, the Board of Directors held four meetings.

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

All of 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 2013 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.

## **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,





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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. Goodspeed, Ms. Gove, Mr. Jordan, 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. Goodspeed, Ms. Gove, Mr. Jordan, 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.

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

During the 2014 fiscal year, the Audit Committee held ten 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](http://www.autozoneinc.com) and is also available, free of charge, in print to any stockholder who requests it.

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### **Audit Committee Report**

The Audit Committee of AutoZone, Inc. has reviewed and discussed AutoZone's audited financial statements for the year ended August 30, 2014, 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 30, 2014, 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)

Linda A. Goodspeed

Sue E. Gove

D. Bryan Jordan

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, policies and awards for executive officers, including recommending equity-based plans for stockholder approval;

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lead the independent directors in the evaluation of the performance of the Chief Executive Officer ( CEO ) in meeting established goals and objectives relevant to the compensation of the CEO;

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.

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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 25.

### ***Who are the members of the Compensation Committee?***

The Compensation Committee consists of Mr. Brooks, Ms. Goodspeed, Mr. Graves (Chair), Mr. McKenna, and Mr. Mrkonic, 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 2014 fiscal year, the Compensation Committee held four 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](http://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 Ms. Gove (Chair), Mr. Guimaraes, Mr. Jordan 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 2014 fiscal year, the Nominating and Corporate Governance Committee held three 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](http://www.autozoneinc.com) and is also available, free of charge, in print to any stockholder who requests it.



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### **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](http://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](http://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 2014 fiscal year. No amounts were paid to our non-employee directors during the 2014 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	Stock	Total
	Paid in Cash	Awards	
	(\$)	(\$)	(\$)
	(2)	(3)	
Douglas H. Brooks	49,931	174,989	224,920
Linda A. Goodspeed	53,260	174,989	228,249
Sue E. Gove		262,456	262,456
Earl G. Graves, Jr.		281,242	281,242
Enderson Guimaraes		249,992	249,992
J.R. Hyde, III		249,992	249,992
D. Bryan Jordan		254,991	254,991
W. Andrew McKenna	63,246	179,963	243,209
George R. Mrkonic, Jr.		256,224	256,224
Luis Nieto	53,260	176,222	229,482

- (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 38.
- (2) Effective January 1, 2014, under the AutoZone, Inc. 2011 Equity Incentive Award Plan, AutoZone's non-employee directors receive their director compensation in the form of Restricted Stock Units, which are contractual rights to receive in the future a share of AutoZone stock. Upon timely election, non-employee directors may elect to receive \$75,000 of the annual retainer fee, plus any additional fees, in the form of cash, paid in quarterly installments in advance (on January 1, April 1, July 1 and October 1 of each calendar year). This column represents the portion of the Director Compensation that was paid in cash and earned in fiscal year 2014. For the portion of fiscal 2014 prior to January 1, 2014, non-employee directors received 100% of the director compensation in the form of Restricted Stock Units.
- (3) The Stock Awards column represents the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 for awards of Restricted Stock Units under the 2011 Equity Plan during fiscal 2014. See Note B, Share-Based Payments, to our consolidated financial statements in our 2014 Annual Report for a discussion of our accounting for share-based awards and the assumptions used. The aggregate number of outstanding awards of common stock under the AutoZone, Inc. 2003 Director Compensation Plan ( Stock Units ) and Restricted Stock Units held by each director at the end of fiscal 2014 are shown in the following



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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 30, 2014, each current non-employee director had the following aggregate number of outstanding Stock Units, Restricted Stock Units and stock options:

Name	Stock Units (#)	Restricted Stock Units (#)	Stock Options* (#)
Douglas H. Brooks		421	
Linda A. Goodspeed		701	
Sue E. Gove	280	2,277	
Earl G. Graves, Jr.	3,417	2,440	8,000
Enderson Guimaraes		1,032	
J.R. Hyde, III	7,505	2,169	18,000
D. Bryan Jordan		588	
W. Andrew McKenna	4,247	2,187	18,000
George R. Mrkonic, Jr	1,405	2,223	
Luis Nieto	1,136	2,056	2,000

\* All stock options are vested.

***Narrative Accompanying Director Compensation Table******Current Compensation Structure***

AutoZone's current director compensation program became effective January 1, 2014.

**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 (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 Additional Fees, together with the Annual Retainer, the Director Compensation). 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 (each as defined below), non-employee directors receive the Director Compensation in the form of Restricted Stock Units, which are contractual rights to receive in the future a share of AutoZone common stock. Upon timely delivery of an election form, a non-employee director may elect to receive \$75,000 of the Annual Retainer plus any Additional Fees in the form of cash, paid in quarterly installments, with the remainder of the Annual Retainer paid in the form of Restricted Stock Units. All Restricted Stock Units are granted on January 1 of the applicable calendar year.

If a non-employee director is elected to the Board, or assumes a different position, after the beginning of a calendar quarter, he or she will receive the Annual Retainer and/or Additional Fees, prorated based on the number of days remaining in the calendar year or quarter, as appropriate.

Restricted Stock Units become payable on the earlier to occur of (1) the fifth anniversary of the grant date, or (2) the date on which the non-employee director ceases to be a director (the Payment Date). Upon timely delivery of an election form, a non-employee director may elect to receive payment on the date on which he or she ceases to be a director. Restricted Stock Units are payable in shares of AutoZone common stock no later than the fifteenth day of the third month following the end of the tax year in which such Payment Date occurs.

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**Compensation Structure Prior to January 1, 2014**

The following describes the program in place from January 1, 2011 through December 31, 2013, which includes a portion of AutoZone's fiscal 2014:

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

Under the 2011 Equity Plan, non-employee directors received the Retainer in Restricted Stock Units. The Restricted Stock Units became fully vested on the date they were 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 was 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 was determined by dividing the amount of the Retainer by the fair market value of the shares as of the grant date.

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

**Other 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 AutoZone, Inc. First Amended and Restated 2003 Director Compensation Plan (the 2003 Director Compensation Plan) and the AutoZone, Inc. First Amended and Restated 2003 Director Stock Option Plan (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. Each director is required to own AutoZone common stock and/or restricted stock units having a cumulative fair market value in an amount equal to three times the value of the base annual retainer payable pursuant to the Director Compensation Program within five years of joining the Board, and to maintain such ownership level thereafter. Exceptions to this requirement may only be made by the Board under compelling mitigating circumstances. 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.

**Table of Contents****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.

**Beneficial Ownership as of October 20, 2014**

Name of Beneficial Owner	Shares	Deferred Stock Units(1)	Options(2)	Restricted Stock Units(3)	Total	Ownership Percentage
Douglas H. Brooks	355	0	0	421	776	*
Linda A. Goodspeed	0	0	0	701	701	*
Sue E. Gove	58	280	0	2,277	2,615	*
Earl G. Graves, Jr.	0	3,417	7,000	2,440	12,857	*
Enderson Guimaraes	0	0	0	1,032	1,032	*
J. R. Hyde, III(4)	241,310	7,505	18,000	2,169	268,984	*
D. Bryan Jordan	240	0	0	588	828	*
W. Andrew McKenna	3,751	4,247	18,000	2,187	28,185	*
George R. Mrkonic, Jr.	0	1,405	0	2,223	3,628	*
Luis P. Nieto	0	1,136	2,000	2,056	5,192	*
William C. Rhodes, III(5)	45,455	0	197,450	0	242,905	*
William T. Giles	6,515	0	112,075	0	118,590	*
William W. Graves	5,928	0	54,775	0	60,703	*
Mark A. Finestone	3,037	0	44,225	0	47,262	*
Larry M. Roesel	3,995	0	18,850	0	22,845	*
All current directors and executive officers as a group (21 persons)	316,034	17,990	596,924	16,095	947,043	3.0%

\* Less than 1%.

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

(2) Includes shares that may be acquired upon exercise of stock options either immediately or within 60 days of October 20, 2014.

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

(4) Includes 173,010 shares pledged as security by Mr. Hyde. Includes 68,300 shares held by a charitable foundation for which Mr. Hyde is a director and for which he shares investment and voting power. Does not include 2,000 shares owned by Mr. Hyde's wife.

(5) Includes 25,000 performance-restricted stock units that will not vest until October 1, 2015. Also includes 1,694 shares held as custodian for Mr. Rhodes' children.

**Table of Contents****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(1)
T. Rowe Price Associates, Inc.(2) 100 East Pratt Street Baltimore, MD 21202	3,789,892	11.8%
FMR LLC(3) 245 Summer Street Boston, MA 02210	1,906,886	6.0%
The Vanguard Group, Inc.(4) PO Box 2600, V26 Valley Forge, PA 19482	1,706,177	5.3%

- (1) The ownership percentages are calculated based on the number of shares of AutoZone common stock outstanding as of October 20, 2014.
- (2) The source of this information is the Form 13F filed by T. Rowe Price Associates, Inc. on August 14, 2014 for the quarter ending June 30, 2014.
- (3) The source of this information is the Form 13F filed by FMR LLC on August 14, 2014 for the quarter ending June 30, 2014. The shares are beneficially owned by a group consisting of Fidelity Management & Research Co. and FMR Co LLC (1,834,352 shares); Pyramis Global Advisors, LLC (27,150 shares); Pyramis Global Advisors Trust Co. (20,734 shares); Fidelity Management Trust Co. (10,581 shares); FMR LLC (9,150 shares); and Strategic Advisors Inc. (4,919 shares).
- (4) The source of this information is the Form 13F filed by The Vanguard Group, Inc. on August 11, 2014 for the quarter ending June 30, 2014. The shares are beneficially owned by a group consisting of Vanguard Group Inc. (1,653,134 shares); Vanguard Fiduciary Trust Co. (43,743 shares); and Vanguard Investments Australia, Ltd. (9,300 shares).

**THE PROPOSALS****PROPOSAL 1 Election of Directors**

Eleven directors will be elected at the Annual Meeting to serve until the annual meeting of stockholders in 2015. 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](http://www.autozoneinc.com). The Board may consider any factors it deems relevant in deciding

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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.

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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.

**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 2013 annual meeting.

### **Nominees**

The nominees are:

Douglas H. Brooks, 62, has been a director since 2013. He is retired. Until his retirement in 2013, he had held various positions with Brinker International, including serving as Non-Executive Chairman of the Board of Brinker International from January 2013 until December 2013; Chairman, President and Chief Executive Officer of Brinker from 2004 until January 2013, and President and Chief Operating Officer from 1999 to 2004. He served on the Brinker board of directors from 1999 through 2013. Mr. Brooks is also a director of Southwest Airlines and Club Corp.

*Experience, Skills and Qualifications:* The Board believes Mr. Brooks is qualified to serve as a director of the Company based on his strong strategic and operational business background, his knowledge of international operations, his experience as a chief executive officer of a public company, his experience managing a company with a strong focus on customer service, his owner orientation, and his board experience as well as his integrity, energy, and willingness to spend time on and interest in AutoZone.

Linda A. Goodspeed, 52, has been a director since 2013. She is currently the Chief Operating Officer and a Managing Partner at WealthStrategies Financial Advisors, positions she has held since 2007. She had served as Senior Vice President and Chief Information Officer of ServiceMaster from 2011 to 2014. From 2008 to September 2011, Ms. Goodspeed served as Vice President, Information Systems and Chief Information Officer for Nissan North America, Inc., a subsidiary of Nissan Motor Company, a global manufacturer of vehicles. From 2001 to 2008, Ms. Goodspeed served as Executive Vice President at Lennox International, Inc., a global manufacturer of air conditioning, heating and commercial refrigeration equipment. She is also a director of Columbus McKinnon Corp. and American Electric Power Co., Inc.

*Experience, Skills and Qualifications:* The Board believes Ms. Goodspeed is qualified to serve as a director of the Company based on her experience in key strategic and operational roles with several large global companies, her expertise in information technology and previous position as the chief information officer of a service company, her owner orientation, her board experience and her executive management skills, as well as her integrity, energy, and willingness to spend time on and interest in AutoZone.

Sue E. Gove, 56, has been a director since 2005. She is currently the President of Excelsior Advisors, LLC. She had been the President of Golfsmith International Holdings, Inc. from February 2012 through April 2014 and Chief Executive Officer from October 2012 through April 2014. Previously, she was Chief Operating Officer of Golfsmith International Holdings, Inc. from September 2008 through October 2012, Executive Vice President from September 2008 through February 2012 and Chief Financial Officer from March 2009 through July 2012. 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



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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., 52, has been a director since 2002 and was elected Lead Director in January 2009. He has been the President and Chief Executive Officer of Black Enterprise, 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.

Anderson Guimaraes, 55, has been a director since 2012. He is the Chief Executive Officer of PepsiCo Europe, a role he assumed in September 2012. He was President of PepsiCo Global Operations from October 2011 to September 2012. Mr. Guimaraes previously had served as Executive Vice President of Electrolux and Chief Executive Officer of its major appliances business in Europe, Africa and the Middle East from January 2008 to October 2011. Prior to this, Mr. Guimaraes spent 10 years at Philips Electronics, first as a regional marketing executive in Brazil and ultimately as Senior Vice President and head of Global Marketing Management and general manager of the WidiWall LED display business. He also served as CEO of Philips Lifestyle Incubator group, an innovation engine which created new businesses and developed them over several years.

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

J. R. Hyde, III, 71, 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 biopharmaceutical 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.

D. Bryan Jordan, 52, has been a director since 2013. He has served as Chairman of the Board, President and Chief Executive Officer of First Horizon National Corporation since January 1, 2012, and has held the positions of President and Chief Executive Officer and director since 2008. From May 2007 until September 2008 Mr. Jordan was Executive Vice President and Chief Financial Officer of First Horizon and

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First Tennessee Bank National Association, and prior to that he served in various positions at Regions Financial Corporation and its subsidiary Regions Bank, including (beginning in 2002) as Chief Financial Officer.

*Experience, Skills and Qualifications:* The Board believes Mr. Jordan is qualified to serve as a director of the Company based on his extensive experience in the banking and financial services industry, his experience serving as the chief executive officer and the chief financial officer of public companies, his strong knowledge of corporate finance and management, and his owner orientation, as well as his integrity, energy, and willingness to spend time on and interest in AutoZone.

*W. Andrew McKenna*, 68, 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 and Chairman of the Governance Committee 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, audit and information technology, 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. Mrkonich, Jr.*, 62, 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. Mrkonich was a director of Nashua Corporation from 2000 to 2009 and Guitar Center, Inc. from 2002 to 2007.

*Experience, Skills and Qualifications:* The Board believes Mr. Mrkonich 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*, 59, 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 Systems, 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.

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*William C. Rhodes, III*, 49, 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 since 1994. Prior to 1994, Mr. Rhodes was a manager with Ernst & Young LLP. Mr. Rhodes is also a director of Dollar General Corporation.

*Experience, Skills and Qualifications:* The Board believes Mr. Rhodes, AutoZone's Chairman, President and Chief Executive Officer, is qualified to serve as a director of the Company based on his 19 years' experience with the Company, which have included responsibility for corporate strategy, executive management, operations, finance, supply chain and information technology; 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 Approval of 2015 Executive Incentive Compensation Plan**

Our Board of Directors is recommending approval of the AutoZone, Inc. 2015 Executive Incentive Compensation Plan to replace our 2010 Executive Incentive Compensation Plan, which expires on December 18, 2014. Under Nevada law and the Company's bylaws, if a quorum is present, this matter will be approved if the number of votes cast in favor of the matter exceeds the number of votes cast in opposition to the matter. 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 2.

**The Board of Directors recommends that the stockholders vote FOR the AutoZone, Inc. 2015 Executive Incentive Compensation Plan.**

The following is a summary of the AutoZone, Inc. 2015 Executive Incentive Compensation Plan. The following summary is qualified in its entirety by reference to the plan document, which is reproduced in its entirety as Exhibit A to this Proxy Statement.

***What is the AutoZone, Inc. 2015 Executive Incentive Compensation Plan?***

Section 162(m) of the Internal Revenue Code (the Code) prohibits us from deducting compensation in excess of \$1 million for any covered employee as defined in Section 162(m) of the Code (currently our chief executive officer and the other four most highly paid officers) unless the compensation in excess of \$1 million qualifies as performance-based. The AutoZone, Inc. 2015 Executive Incentive Compensation Plan (the 2015 Plan) is intended to qualify as a performance-based compensation plan under the Code so that performance incentive awards paid under the 2015 Plan are tax deductible to AutoZone. The 2015 Plan requires that the Compensation Committee of the Board of Directors establish objective performance goals and that the performance goals be met before a participant may receive an incentive award.

***Who is eligible to participate in the 2015 Plan?***

The individuals entitled to participate in the 2015 Plan will be the Company's key employees as designated by the Compensation Committee, in its sole discretion, who are or may become covered employees and whose compensation, for a current or future fiscal year, may be subject to the limit on deductible compensation imposed by Code Section 162(m).

**Table of Contents*****How are performance goals established?***

Under the 2015 Plan, at the beginning of each fiscal year or other performance period, the Compensation Committee must establish a goal, which may be a range from a minimum to a maximum attainable incentive award. The goal may be based on one or more of the following measures:

earnings (including net income)	return on inventory
earnings per share (including diluted earnings per share)	EBIT margin
sales	gross profit margin
market share	economic profit
operating or net cash flows	net operating profit after tax
pre-tax profits	earnings before interest, taxes, depreciation and amortization (EBITDA)
earnings before interest and taxes (EBIT)	sales per square foot
return on invested capital (ROIC)	comparable store sales (including samestore sales)

economic value added

The goal may be different for different participants. The Compensation Committee will establish the goals within ninety (90) days after the start of the applicable performance period, but in no event after twenty-five percent (25%) of the applicable performance period has lapsed. The Compensation Committee will determine the incentive awards to be paid under the 2015 Plan. All incentive awards will be paid within two and one-half (2 1/2) months following the end of the applicable performance period.

For the past thirteen (13) years, the performance goals established by the Compensation Committee under the predecessor executive incentive compensation plan have been based on EBIT and ROIC. Additional information about the establishment of incentive objectives can be found in Compensation Discussion and Analysis on page 25.

No incentive may be paid under the 2015 Plan unless at least the minimum goal is attained. However, the Compensation Committee may disregard for goal purposes one-time charges and extraordinary events such as asset write-downs, litigation judgments or settlements, the effect

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of 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.

### ***How are the incentive awards paid under the 2015 Plan?***

After the end of each performance period, the Compensation Committee must certify the attainment of goals, if any, under the 2015 Plan and direct the amount of the incentive award to be paid to each participant. The Compensation Committee, in its discretion, may reduce or eliminate any incentive to be paid to a participant, even if a goal was attained. Incentive awards may only be paid after the attainment of the goals has been certified by the Compensation Committee. Incentive awards will be paid in cash.

### ***What is the maximum compensation that a participant may receive under the 2015 Plan?***

No participant may receive more than \$4 million in any one fiscal year as an incentive award under the 2015 Plan.

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***Does AutoZone currently have an executive incentive compensation plan?***

Currently, the AutoZone, Inc. 2010 Executive Incentive Compensation Plan (the 2010 Plan ) is in effect, but it will expire on December 18, 2014.

***What are the primary differences between the new plan and the existing plan?***

Three new performance goals have been added to the 2015 Plan:

economic profit

net operating profit after tax; and

earnings before interest, taxes, depreciation and amortization ( EBITDA )

There are no other material changes. Please review the 2015 Plan document, which is reproduced in its entirety as Exhibit A to this Proxy Statement.

***Who participated in the existing plan during the last fiscal year?***

Twelve AutoZone executives were granted bonuses under the 2010 Plan for fiscal