

## 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. 1998 DIRECTOR STOCK OPTION 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 Stock Option Plan.
- 5.1 Opinion of Harry L. Goldsmith, General Counsel of AutoZone, Inc.
- 24.1 Consent of Ernst & Young LLP.
- 24.2 Consent of Harry L. Goldsmith, General Counsel of AutoZone, Inc. (included in the opinion filed as Exhibit 5.1).
- 25.1 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 -----	Director	March 17, 1998

John E. Moll

/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 Stock Option Plan.
- 5.1 Opinion of Harry L. Goldsmith, General Counsel of AutoZone, Inc.
- 24.1 Consent of Ernst & Young LLP.
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(included in the opinion filed as Exhibit 5.1).
- 25.1 Power of Attorney (incorporated in the Signature Page to the  
Registration Statement).

AUTOZONE, INC.  
1998 DIRECTOR STOCK OPTION PLAN

## 1. PURPOSE OF THE PLAN.

Under this 1998 Director Stock Option Plan (the "Plan") of AutoZone, Inc. (the "Company"), non-qualified options to purchase shares of the Company's capital stock shall be granted to Non-Employee Directors of the Company. The Plan is designed to enable the Company to attract and retain Non-Employee Directors of the highest caliber and experience, and to increase their ownership of the Company's capital stock.

## 2. STOCK SUBJECT TO PLAN.

The maximum number of shares of stock for which options ("Options") granted hereunder may be exercised shall be 20,000 shares of the Company's Common Stock, par value \$.01 per share (the "Common Stock"), subject to the adjustments provided in Section 7. All shares of stock subject to Options shall be treasury shares of Common Stock. Shares of stock subject to the unexercised portions of any Options which expire or terminate or are canceled may again be subject to Options granted hereunder.

## 3. PARTICIPATING DIRECTORS.

Each member of the Board of Directors of the Company (the "Board") who is not, at the time that eligible directors are granted Options pursuant to Section 5 hereof, an employee or officer of the Company or any of its subsidiaries (a "Non-Employee Director"), shall be eligible to participate in the Plan.

## 4. ADMINISTRATION.

(a) The Plan shall be administered by a committee (the "Committee") which shall consist of two or more directors who are not Non-Employee Directors, appointed by and holding office at the pleasure of the Board. Appointment of Committee members shall be effective upon acceptance of appointment. Committee members may resign at any time by delivering written notice to the Board. Vacancies on the Committee shall be filled by the Board.

(b) It shall be the duty of the Committee to conduct the general administration of the Plan in accordance with its provisions. The Committee shall have the power to interpret the Plan and the Options and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. The Board shall have no right to exercise any of the rights or duties of the Committee under the Plan.

(c) The Committee shall act by a majority of its members in office. The Committee may act either by vote at a meeting or by a memorandum or other written instrument signed by a majority of the Committee.

(d) All expenses and liabilities incurred by members of the Committee in connection with the administration of the Plan shall be borne by the Company. The Committee may employ attorneys, consultants, accountants, appraisers, brokers or other persons, and the Committee, the Company and its officers and directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding on each Non-Employee Director who has been granted an Option hereunder (sometimes referred to hereinafter as an "Optionee"), the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the Options, and all members of the Committee shall be fully protected by the Company with respect to any such action, determination or interpretation.

## 5. GRANT OF OPTIONS.

During the existence of the Plan, Options shall be granted as follows:

(a) On January 1 of each year, each Non-Employee Director as of such date shall be granted an Option to purchase 1,000 shares of Common Stock (subject to the adjustments provided in Section 7); provided, however, that with respect to the calendar year beginning January 1, 1998, each Non-Employee Director who is an Non-Employee Director on the effective date of the Plan shall be granted an Option to purchase 1,000 shares of Common Stock (subject to the adjustments provided in Section 7) as of the effective date of the Plan.; and

(b) Beginning on December 31, 1998, on December 31 of each year, each Non-Employee Director who, as of such date, beneficially owns



shares of Common Stock having an aggregate Fair Market Value (as determined below) greater than or equal to five (5) times such Non-Employee Director's annual director fee (not including meeting fees) payable by the Company for such year, shall be granted an Option to purchase 1,000 shares of Common Stock (subject to the adjustments provided in Section 7). For purposes of this Plan, the "Fair Market Value" of a share of Common Stock shall mean, 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 (as defined below) 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. For purposes of this Plan, the term "Business Day" shall mean a day on which the Company's executive offices in Memphis, Tennessee are open for business and on which trading is conducted on the New York Stock Exchange.

Notwithstanding any other provision of the Plan, no Option shall be granted unless sufficient shares (subject to said adjustments) are then available therefor under Sections 2 and 7. In consideration of the granting of an Option, the Optionee shall be deemed to have agreed to remain as a Director of the Company for a period of at least one year after the date upon which the Option was granted (the "date of grant"). Nothing in the Plan shall, however, confer upon any Optionee any right to continue as a director of the Company or shall interfere with or restrict in any way the rights of the Company or the Company's stockholders, which are hereby expressly reserved, to remove any Optionee at any time for any reason whatsoever, with or without cause, to the extent permitted by the Company's bylaws and applicable law.

#### 6. OPTION PROVISIONS.

Each Option shall be evidenced by an agreement between the Company and the Non-Employee Director and shall contain the following terms and provisions, and such other terms and provisions as the Committee may authorize:

(a) The exercise price of each Option shall be equal to the aggregate Fair Market Value of the shares of Common Stock subject to the Option on the date of grant;

(b) Payment for shares of Common Stock purchased upon any exercise of the Option shall be made in full at the time of such exercise (i) in cash, (ii) by delivery of shares of Common Stock already owned by the Optionee, duly endorsed for transfer to the Company, (iii) by delivery of a notice that the Optionee has placed a market sell order with a broker approved by the Company with respect to shares of Common Stock then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the option exercise price, or (iv) by a combination of any of the foregoing methods of payment. For purposes of exercising the Option, the value of any shares of Common Stock delivered in payment shall be the Fair Market Value of such shares of Common Stock on the last Business Day prior to deliver;

(c) Subject to subsection (d) below and Section 7 hereof, the Option shall become fully vested and exercisable on the third anniversary of the date of grant;

(d) The Option shall terminate and may not be exercised to any extent by anyone after the first to occur of the following events:

(i) the expiration of ten years from the date of grant;

(ii) the expiration of five years from the date upon which the Non-Employee Director ceases to be a director of the Company if the Non-Employee Director has reached the age of 70 on or before such date ("Normal Retirement Age");

(iii) the expiration of 90 days from the date of the Non-Employee Director's death;

(iv) the date that the Non-Employee Director ceases to be a director of the Company (for a reason other than the death of the Non-Employee Director) if the Non-Employee Director has not reached Normal Retirement Age;

(v) subject to Section 7(b) hereof, the effective date of a Corporate Transaction (as defined below), unless the Committee waives this provision in connection with such transaction.

In the event that a Non-Employee Director ceases to be a director of the

Company prior to the time that the Option has become vested and exercisable pursuant to subsection (c) above, the Option shall continue to vest and become exercisable pursuant to subsection (c) above until such time as the Option terminates pursuant to this subsection (d). (e) Notwithstanding any other provision herein, the Option may not be exercised prior to the admission of the shares of stock issuable upon exercise of the Option to listing on notice of issuance on any stock exchange on which shares of the same class are then listed; nor unless and until, in the opinion of counsel for the Company, such securities may be issued and delivered without causing the Company to be in violation of or incur any liability under any Federal, state or other securities law, any requirement of any securities exchange listing agreement to which the Company may be a party, or any other requirement of law or of any regulatory body having jurisdiction over the Company; and

(f) The Option shall not be transferable by the Optionee other than by will or the laws of descent and distribution, may not be pledged or hypothecated, and shall be exercisable during the Optionee's lifetime only by the Optionee or by his or her guardian or legal representative.

7. CHANGES IN COMMON STOCK OR ASSETS OF THE COMPANY, ACQUISITION OR LIQUIDATION OF THE COMPANY AND OTHER CORPORATE EVENTS.

(a) Subject to subsection (d) below, in the event that the Committee determines that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), recapitalization, reclassification, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, liquidation, dissolution, or sale, transfer, exchange or other disposition of all or substantially all of the assets of the Company (including, but not limited to, a Corporate Transaction, as defined below), or exchange of Common Stock or other securities of the Company, issuance of warrants or other rights to purchase Common Stock or other securities of the Company, or other similar corporate transaction or event, in the Committee's sole discretion, affects the Common Stock such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits intended to be made available under the Plan or with respect to any Option, then the Committee shall, in such manner as it may deem equitable, adjust any or all of:

(i) the number and kind of shares of Common Stock (or other securities or property) with respect to which Options may be granted under the Plan (including, but not limited to, adjustments of the limitations in Section 2 on the maximum number and kind of shares which may be issued under the Plan);

(ii) the number and kind of shares of Common Stock (or other securities or property) subject to outstanding Options; and

(iii) the grant or exercise price with respect to any Option.

(b) Subject to subsection (d) below, in the event of any Corporate Transaction (as defined below), the Plan shall terminate, and all outstanding Options shall terminate, unless provisions shall be made in writing in connection with such Corporate Transaction for the continuance of the Plan and/or for the assumption of Options theretofore granted, or the substitution for such Options of options covering the stock of a successor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices, in which event the Plan and Options theretofore granted shall continue in the manner and under the terms so provided. If the Plan and unexercised Options would otherwise terminate pursuant to the foregoing sentence, then, for such period of time prior to the consummation of such Corporate Transaction as the Company shall designate, all outstanding Options shall be exercisable as to all shares covered thereby, notwithstanding anything to the contrary in Section 6(c) hereof or the provisions of such Option;

(c) For purposes of the Plan, the term "Corporate Transaction" shall mean any of the following stockholder-approved transactions to which the Company is a party:

(i) a merger or consolidation in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the State in which the Company is incorporated, form a holding company or effect a similar reorganization as to form whereupon this Plan and all Options are assumed by the successor entity;

(ii) the sale, transfer, exchange or other disposition of all or substantially all of the assets of the Company, in complete liquidation or dissolution of the Company in a transaction not covered by the exceptions to clause (i) above; or

(iii) any reverse merger in which the Company is the surviving entity but in which securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities are transferred or issued to a person or persons different from those who held such securities immediately prior to such merger.

(d) No adjustment or action described in this Section 7 shall be authorized or occur to the extent such adjustment or action would result in short-swing profits liability under Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or violate the exemptive conditions of Rule 16b-3 of the Exchange Act unless the Committee determines that the Option is not to comply with such exemptive conditions.

#### 8. TAX WITHHOLDING.

The Company shall be entitled to require payment in cash or deduction from other compensation payable to each Optionee of any sums required by federal, state or local tax laws to be withheld with respect to the issuance, vesting or exercise of any Option. The Committee may in its discretion and in satisfaction of the foregoing requirement allow such Optionee to elect to have the Company withhold shares of Common Stock otherwise issuable under such Option (or allow the return of shares of Common Stock) having an aggregate Fair Market Value equal to the sums required to be withheld.

#### 9. LOANS.

The Committee may, in its absolute discretion, extend one or more loans to Optionees in connection with the exercise of an Option. The terms and conditions of any such loan shall be set by the Committee.

#### 10. DURATION, TERMINATION AND AMENDMENT OF PLAN.

The Plan shall become effective upon its adoption by the Board. Unless sooner terminated, the Plan shall expire ten (10) years from the date the Plan is adopted by the Board, so that no Option may be granted hereunder after that date although any option outstanding on that date may thereafter be exercised in accordance with its terms. The Board may alter, amend, suspend or terminate this Plan, provided that no such action shall deprive an Optionee, without his or her consent, of any Option previously granted pursuant to the Plan or of any of the Optionee's rights under such Option.

#### 11. COMPLIANCE WITH LAWS.

This Plan, the granting and vesting of Options under this Plan and the issuance and delivery of shares of Common Stock and the payment of money under this Plan or under Options granted hereunder are subject to compliance with all applicable federal and state laws, rules and regulations (including but not limited to state and federal securities laws and federal margin requirements) and to such approvals by any listing, regulatory or governmental authority as may, in the opinion of counsel for the Company, be necessary or advisable in connection therewith. Any securities delivered under this Plan shall be subject to such restriction, and the person acquiring such securities shall, if requested by the Company, provide such assurances and representations to the Company as the Company may deem necessary or desirable to assure compliance with all applicable legal requirements. To the extent permitted by applicable law, the Plan and Options granted or awarded hereunder shall be deemed amended to the extent necessary to conform to such laws, rules or regulations.

#### 12. TITLES.

Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Plan.

#### 13. GOVERNING LAW.

This Plan and any agreements hereunder shall be administered, interpreted and enforced under the internal laws of the State of Nevada without regard to the conflicts of laws rules thereof.

\* \* \*

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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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 Stock Option 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. 1998 Director Stock Option 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