

AUTOZONE INC  
Form DEFA14A  
November 01, 2011

**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 Pursuant to Rule 14a-11(c) or 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):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

.. Fee paid previously with preliminary materials:

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

October 31, 2011

Dear Fellow Stockholder:

Please be advised that AutoZone, Inc.'s (the Company) proxy statement, first distributed to stockholders beginning on October 24, 2011, relating to the Company's 2011 annual meeting of stockholders to be held on December 14, 2011 had two errors. First, on page 3 of your proxy statement, in the last paragraph on the page the number of shares of common stock beneficially owned by ESL was understated. Second, the table on page 47 of your proxy statement, Potential Payments upon Termination or Change in Control, contained computational errors in the Total line of the last three columns for William C. Rhodes, III. The substitute pages 3 and 47 correct those errors. Please use these pages instead of the corresponding pages in your bound proxy statement. We apologize for the error.

Sincerely,

Harry L. Goldsmith

Secretary

**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?**

ESL Investments, Inc. and its affiliates (collectively, "ESL"), entered into an agreement with AutoZone dated as of June 25, 2008 (the "ESL Agreement"), in which ESL agreed to appear at each meeting of the stockholders of the Company and at each adjournment or postponement thereof, or otherwise cause all shares of AutoZone common stock owned by ESL to be counted as present for the purpose of establishing a quorum. ESL also agreed to vote its shares of AutoZone common stock in excess of 37.5% of the then-outstanding common stock in the same proportion as shares not owned by ESL are actually voted.

Under the terms of the ESL Agreement, the Company agreed to take certain actions with regard to the size and composition of the Board of Directors, including considering the potential appointment to the Board of two directors identified by ESL who were reasonably acceptable to a majority of the members of the Nominating and Corporate Governance Committee of the Board and were independent under the Company's Corporate Governance Principles and the rules of the New York Stock Exchange. William C. Crowley and Robert R. Grusky were identified by ESL and were appointed to the Board in accordance with the ESL Agreement in 2008 and have been re-elected by AutoZone's stockholders at each AutoZone Annual Meeting since that time. Both Messrs. Crowley and Grusky have been nominated for re-election at this Annual Meeting.

The ESL Agreement will continue in effect until the earliest of (a) the date upon which the common stock owned by ESL constitutes less than 25% of the then-outstanding shares of AutoZone common stock, (b) the date upon which the common stock owned by ESL exceeds 50% of the then-outstanding shares of AutoZone common stock, provided ESL has acquired additional shares representing above 10% of the then-outstanding shares subsequent to the date of the ESL Agreement, and (c) the date upon which the parties mutually agree in writing to terminate the ESL Agreement.

As of October 17, 2011, ESL was the beneficial holder of 11,691,327 shares of common stock, representing approximately 29.3% of the outstanding common stock. See "Security Ownership of Certain Beneficial Owners" on page 15 for more information about ESL's ownership of AutoZone common stock.

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The following table shows the amounts that the Named Executive Officers would have received if their employment had been terminated under specified circumstances on August 27, 2011. This table does not include amounts related to the Named Executive Officers' vested benefits under our deferred compensation and pension plans or pursuant to stock option awards, all of which are described in the tables above.

Name	Voluntary or For Cause Termination (\$)	Involuntary Termination Not For Cause (\$)	Change in Control (\$)	Disability (\$)	Death (\$)	Normal Retirement (\$)
<b>William C. Rhodes, III(1)</b>						
Severance Pay		2,990,000				
Annual Incentive		2,009,424		2,009,424	2,009,424	2,009,424
Benefits Continuation		11,208			2,345	
Unvested Stock Options					9,581,233	
Unvested Stock Awards		49,413		49,413	49,413	49,413
Disability Benefits				6,960,000		
Life Insurance Benefits					5,000,000	
<b>Total</b>		<b>5,060,045</b>		<b>9,018,837</b>	<b>16,642,415</b>	<b>2,058,837</b>
<b>William T. Giles(2)</b>						
Severance Pay		980,000				
Annual Incentive		740,683		740,683	740,683	740,683
Benefits Continuation		12,663			2,345	
Unvested Stock Options					5,604,377	
Unvested Stock Awards		8,437		8,437	8,437	8,437
Disability Benefits				4,920,000		
Life Insurance Benefits					2,166,000	
<b>Total</b>		<b>1,741,783</b>		<b>5,669,120</b>	<b>8,521,842</b>	<b>749,120</b>
<b>Robert D. Olsen(3)</b>						
Salary Continuation		377,000				
Annual Incentive		455,813		455,813	455,813	455,813
Benefits Continuation		14,265			2,345	
Unvested Stock Options		3,029,905			3,029,905	
Unvested Stock Awards		1,446,240		1,446,240	1,446,240	
Disability Benefits				2,610,000		
Life Insurance Benefits					1,514,000	
<b>Total</b>		<b>5,323,223</b>		<b>4,512,053</b>	<b>6,448,303</b>	<b>455,813</b>
<b>Harry L. Goldsmith(3)</b>						
Salary Continuation		1,236,000				
Annual Incentive		622,922		622,922	622,922	622,922
Benefits Continuation		28,142			2,424	
Unvested Stock Options		5,129,770			5,129,770	
Unvested Stock Awards		3,917		3,917	3,917	3,917
Disability Benefits				2,040,000		
Life Insurance Benefits					1,824,000	
<b>Total</b>		<b>7,020,751</b>		<b>2,666,839</b>	<b>7,583,033</b>	<b>626,839</b>
<b>Larry M. Roesel(2)</b>						
Severance Pay		585,000				
Annual Incentive		471,514		471,514	471,514	471,514
Benefits Continuation		11,208			2,345	
Unvested Stock Options					4,453,800	
Disability Benefits				4,170,000		
Life Insurance Benefits					1,000,000	
<b>Total</b>		<b>1,067,722</b>		<b>4,641,514</b>	<b>5,927,659</b>	<b>471,514</b>

