

# Conflicts of Interest Policy

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## Overview

### Purpose

This establishes AutoZone's commitment to maintaining the highest legal and ethical standards and acts as a guide for making sound business decisions. The requirements of this Policy are designed to help AutoZoners identify, disclose, avoid and manage actual or perceived conflicts of interest, and to recognize when to get help or to report a concern.

When making business decisions, we put AutoZone's interests before personal interests. AutoZoners must act openly, honestly and transparently.

### Scope

This Policy applies to all AutoZoners, globally.

### Manager Responsibility

Managers are responsible for contacting their HR Business Partner ("HRBP"), or HR manager, the AutoZoner's department leadership and Legal, with any questions or if they need to report a potential conflict of interest.

### Integrity Hotlines and Reporting Contact Information

To report a suspected violation, ask questions or raise concerns, about this Policy or any other one, [click here](#).

### Related policies in [PolicyHub](#):

- Code of Conduct
- Compliance with Anti-Corruption Laws
- Disbursement Authorization
- Vendor Code of Conduct
- Handbook
- AutoZone Travel Policy

### Noncompliance

Noncompliance is subject to corrective action up to and including termination.

### Definitions

Term	Definition
Interest	Commitment, obligation, duty, goal.
Conflict of Interest ("COI")	A situation that may interfere with your ability to objectively do your job or make business decisions as an AutoZoner, or where you might derive a personal benefit from actions made by you in your work for AutoZone.
Family Member / Relatives	Individuals you are related to by blood, a legally recognized union, adoption, or cohabitation. Examples may include, but are not limited to, your spouse, domestic or civil partner, significant other, parent, child, sibling, grandparent, grandchild, aunt, uncle, nephew, niece, cousin, godparents, or corresponding in-law or step-relative or any person in your household.
Personal Relationships	Strong pre-existing personal connections. Examples may include, but are not limited to, close friends, fraternity brothers, sorority sisters, roommates, or neighbors.

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Romantic Relationship	Engaging in close physical or sexual relationships or other forms of intimate contact for example, may include but are not limited to sexting, regardless of whether the close physical relationship or intimate contact was brief or long term.
Personal Financial Interests	When a *significant financial interest affects, or could appear to affect, the professional judgment. Examples may include but are not limited to, stock shares or options, debt, bonds, notes and other securities, assets or ownership interests held by you or a family member. Note: You must have actual knowledge of such Personal Financial Interests; this does not include investments in mutual funds, blind trusts, or similar types of investments. (*Significant Financial Interests thresholds: exceeds US\$5000 or equivalent for equity interests in a publicly traded entity and intellectual property rights and interests upon receipt of income related to such gifts and interests.)
Outside Employment and Business	Working for a competitor or a vendor or a service provider. It also relates to outside employment that interferes with the AutoZoners' work hours and assignments.
Vendor-funded trip	Any form of travel, entertainment, event or outing that is business-related and funded/sponsored in any way by a vendor. Additionally, a vendor-funded trip may also include a business-related event or events that include conferences, factory travel, Distribution Center (DC) visits, industry expos, sporting events, music or other similar events.  Under no circumstances, shall any AutoZoner accept a trip or entertainment from a vendor that is not business-related.

### Identifying and Reporting a Conflicts of Interest

#### Roles and Responsibilities

Who	What
AutoZoner	Notifies manager, HRBP or HR manager of a potential conflict of interest and provides details.
Manager/Vice President (VP)/Senior Vice President (SVP)	<ul style="list-style-type: none"><li>Contacts HRBP or HR manager if they become aware of a potential or actual conflict of interest.</li><li>Answers questions from AutoZoner and provides guidance, direction and implements changes, as needed, in partnership with HR and Legal.</li></ul>
HR	<ul style="list-style-type: none"><li>Evaluates the request or report, requests additional details if needed, may notify the AutoZoner and manager, as necessary.</li><li>Engages leadership and Legal as needed.</li><li>Documents the approval and/or action taken to eliminate the conflict of interest and</li><li>Documents the request in the AutoZoner's employment file.</li></ul>

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## Avoiding Conflicts of Interest

It is important that you avoid conflicts of interest with other AutoZoners, vendors, customers, service providers and third parties. You are responsible for making business decisions for the benefit of AutoZone which are compliant with our Values and Code of Conduct, among other policies. AutoZone makes decisions to resolve and eliminate conflicts based on legitimate business reasons. For example, if AutoZone determines a reassignment of an AutoZoner is needed to eliminate a conflict, possible solutions may include scheduling an AutoZoner to work different hours, adjusting lines of supervising and reporting, or transferring an AutoZoner to another department or location.

## Relationships (Familial, Personal, Romantic)

You may not exert influence to promote, discipline, investigate, hire, terminate, or provide work assignments to an AutoZoner, or participate in contract negotiations, bids or new business with a vendor or customer, with whom you have a personal, romantic, or familial relationship. This applies to all positions including full-time, part-time, seasonal and internships.

Exception: In certain situations, (with prior approval by DC manager or functional area leadership), DC truck drivers who are related may work together as team truck drivers.

## *Reassignment and Direct Reporting*

An AutoZoner may not occupy a position in the same department as, work directly for, supervise, or have a direct reporting relationship with another AutoZoner, a vendor, customer or service provider if they have a personal, romantic and or familial relationship.

These relationships may create a potential conflict, even if there is not a direct line of authority or reporting involved. To eliminate a potential or actual conflict, the AutoZoners may be separated by reassignment, shifts changed, change of functional area or could potentially be terminated from employment.

If you become related to, or engage in a personal, romantic or familial relationship with another AutoZoner, a vendor, customer or service provider or someone who works for a competitor while working at AutoZone, you are both responsible for disclosing this relationship immediately to your respective manager, or HRBP or HR manager.

AutoZone reserves the right to take prompt action if an actual or potential conflict of interest arises concerning individuals who engage in a romantic relationship that may affect the terms and conditions of employment. Supervisors and managers are prohibited from dating subordinates and may be disciplined because of such actions up to and including termination.

## Outside Employment and Business Interests

If outside employment interferes with your work hours and assignments, you should discuss with your manager to ensure your work hours and assignments are coordinated and adjusted as may be needed. You are not permitted to accept employment or compensation from a competitor, vendor or customer. Outside employment cannot be performed using AutoZone hours, assets, resources or confidential information.

You may serve on a board of directors of a publicly traded company with the prior review and approval of the SVP, General Counsel and Secretary.

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## Financial Interests and Investments

You are not permitted to use your position with AutoZone, or AutoZone assets or information, for personal gain, for the benefit of personal relationships, another business, or to compete with AutoZone.

This includes, but is not limited to:

- soliciting or accepting a business opportunity or financial relationship in your capacity as an AutoZoner from an AutoZone customer, service provider or vendor (for example, offering hourly consulting services to an AutoZone customer or investing in a vendor's business)
- using your knowledge of AutoZone pricing, bidding, discount or rate information with a vendor to leverage a personal negotiation
- taking a product sample for yourself or someone else
- using a customer's tiered pricing discount for personal use

## Gifts, Meals, and Entertainment

The exchange of gifts, meals and entertainment is common practice in some countries and businesses and can foster better relationships with customers and vendors. However, this Policy limits accepting the type of gifts, meals and entertainment that are acceptable. Accepting gifts, meals and entertainment can create a conflict of interest (or the appearance of one) among our personal interests/relationships, our responsibilities as AutoZoners and AutoZone's interests. When in doubt, do not accept a gift or entertainment.

A meal or entertainment refers to an event or situation where all parties are present, that is, the recipient, the provider and more than one AutoZoner. This may include a meal at a public restaurant, sporting, musical or other events and outings.

Prior to accepting an invitation to a meal or entertainment that is a vendor-funded event, AutoZoners **must** request pre-approval from their direct leadership and department SVP, and, in some entertainment invitations, the SVP, General Counsel and Secretary or VP and Assistant General Counsel and Assistant Secretary.

**Acceptable criteria:** It must not be excessive and keep within AutoZone's culture and Values, or customary business practice. Examples: tickets to a concert or sporting event.

### Unacceptable criteria:

- Lavish and excessive (may inappropriately influence or appear to influence the judgment of others, or our judgment)
- From or with a government official (or candidate)
- One-on-one events or entertainment with vendors or customers
- Non-business related
- AutoZoner solicited
- Inconsistent with our Values, Code of Conduct, this Policy and other ones

### *Cultural or business considerations*

If you are offered a gift or entertainment and to refuse it would be considered offensive or impractical (for example, because of culture sensitivity or if presented at an event or ceremony), contact your manager, HRBP or HR manager as soon as possible to determine an appropriate resolution. Also refer to the **Appendix** for guidance on page 6.

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AutoZoners should carefully evaluate the intent and perception of accepting a gift or entertainment to ensure it is consistent with this Policy and our Values, that it will not influence business decisions or scope of work and will not be viewed by AutoZone as unethical.

The below examples illustrate AutoZone's position concerning gifts, meals, and entertainment, and are intended to help AutoZoners comply with this Policy. This list is a guide and provides examples of what is acceptable and unacceptable and is not an exhaustive list.

Gifts, Meals, Entertainment	Acceptable criteria	Examples	Unacceptable criteria
Gifts / Entertainment	<ul style="list-style-type: none"><li>Unsolicited (no one requested it)</li><li>Infrequent (once a year)</li><li>Gifts of <u>nominal value</u> (\$50 USD) that would be impractical for the AutoZoner to return it to the sender</li><li>An offer from a vendor or customer to give you a ride to the airport or other business-related locations during a business trip</li></ul>	<ul style="list-style-type: none"><li>Perishable goods</li><li>Food baskets, candy, cakes, flowers, single bottles of wine received during the holidays that can be distributed equally among the team (note: in some countries, gifts of teas are considered lavish and fall into the "unacceptable criteria" category (ex: China, Taiwan)</li><li>Logo-branded, vendor promo items</li><li>Samples and/or promotional items and accessories with a company logo (ex: shirt, laptop case, or other accessory with a company logo)</li></ul> <p><b>Note:</b> A gift does not need to be monetary in nature; it could be anything of value.</p>	<ul style="list-style-type: none"><li>Lavish or excessive</li><li>Cash, gift cards or that can be converted to cash, credit, loans</li><li>Stock or securities</li><li>Anything to and/or from a government official (or candidate for office)</li><li>Promise to employ a friend or family member</li><li>Use of a vacation home, free or discounted travel (such as a free ski weekend), or club membership</li><li>Accept a gift or money in exchange for GOTTC© (Go Out To The Customers Automobile)</li><li>Inconsistent with our Values, Code of Conduct or other policies</li><li>Fail to report even if you make an in-kind, cash donation to charity</li></ul>
Meals	<ul style="list-style-type: none"><li>Reasonable, infrequent, business-related</li><li>Modest meal/refreshments at a business conference</li><li>More than two AutoZoners must attend</li><li>Pre-approval from your manager</li></ul>	<ul style="list-style-type: none"><li>Two or more AutoZoners join a vendor for a meal in a public restaurant.</li></ul>	<ul style="list-style-type: none"><li>From or with a government official (or candidate for office)</li><li>Lavish or excessive</li><li>Attend alone</li><li>Attend frequently</li><li>Fail to report even if you make an in-kind cash donation to charity</li></ul>

**What Should AutoZoners Do?** Whether the gift is acceptable or not, it must be reported to your manager. When in doubt, do not accept a gift or entertainment.

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## Personal Favors or Services

AutoZoners must not solicit or accept personal favors (gifts or entertainment) from AutoZone vendors, customers, service providers (for example, repairing or remodeling a personal vehicle or home or staying in a vacation home or condo).

## How to Request Approval for Vendor/Customer-funded trips, Entertainment or Other Outings

Submit a request for approval within 45 days of the event or departure to the department SVP (once it has been approved by your direct leadership) and include the following (although additional information may be requested):

- description of the event (include link to the event, or attach a copy of the brochure)
- business purpose
- dates of the event
- other AutoZoners who will attend
- vendor relationship
- description of what and how much the vendor will pay
- whether AutoZoner will include a guest
  - AutoZoner, not vendor/customer/provider, must pay for guest

## Appendix

For additional resources about this Policy, including sample letters to decline gift and entertainment and Frequently Asked Questions (FAQs), click [here](#) to view on DOC.