



## **CODE OF CONDUCT AND ETHICS FOR SENIOR OFFICERS OF AUTOLIV, INC.**

Autoliv is committed to full and accurate financial disclosure in compliance with applicable laws, rules and regulations and to maintaining its books and records in accordance with applicable accounting policies, laws, rules and regulations. This Code of Ethics for Senior Officers, applicable to the Company's Principal Executive Officer, Chief Financial Officer and Senior Accounting Officer (together, "Senior Officers"), sets forth specific policies to guide Senior Officers in the performance of their duties. As Senior Officers, you perform a task that is critical to the Company. This Code is designed to assist you in that task.

Autoliv's Code of Business Conduct and Ethics, which this Code of Ethics is intended to supplement, sets forth the fundamental principles and key policies and procedures that govern the conduct of all of us in our business. You are bound by the requirements set forth in the Standards of Business Conduct and Ethics, as well as those set forth in this Code of Ethics and other applicable policies and procedures.

### **COMPLIANCE WITH RULES AND REGULATIONS**

Autoliv is committed to conducting our business in accordance with all applicable laws, rules and regulations and in accordance with the highest standards of business ethics. As a Senior Officer, you must not only comply with applicable laws. You also have leadership responsibilities that include creating a culture of high ethical standards and commitment to compliance; maintaining a work environment that encourages employees to raise concerns without fear of retaliation; and promptly addressing employee compliance concerns.

### **CONFLICTS OF INTEREST**

In order to maintain the highest degree of integrity in the conduct of Autoliv's business and your independent judgment, you must avoid any activity or personal interest that creates or appears to create a conflict between your interests and the interests of the Company. A conflict of interest occurs when your private interests interfere or appear to interfere, with the interests of the Company as a whole. You should conduct the Company's business in an honest and ethical manner, and never act in a manner that could cause you to lose your independence and objectivity.

Although we cannot list every conceivable conflict, following are some common illustrations of actual or apparent conflicts of interest:

- You or a member of your family has an ownership interest in, is employed by or serves as a director of an entity that competes with the Company, does business with the Company, such as a Autoliv customer, supplier or business partner, or is a recipient of charitable contributions made by the Company;

- You or a member of your family participates in a joint venture, partnership or other business arrangement or investment with Autoliv or that you learned of through the use of corporate property or information or your position at the Company; and
- You or a member of your family receives improper personal benefits as a result of your position in the Company.

Your obligation to conduct the Company's business in an honest and ethical manner includes the ethical handling of actual or apparent conflicts of interest between your personal interests and the Company's interests. Before making any investment, accepting any position or benefits or participating in any transaction or business arrangement that creates or appears to create a conflict of interest, you must make full disclosure of the acts and circumstances to, and obtain the written approval of, the Audit Committee of the Board of Directors.

## **RELATED PERSON TRANSACTIONS**

Autoliv recognizes that Related Person Transactions (as defined below) can present potential or actual conflicts of interest and create the appearance that Company decisions are based on considerations other than the best interest of the Company and its stockholders. Accordingly, as a general matter, Autoliv prefers to avoid Related Person Transactions. Autoliv recognizes, however, that certain situations may arise whereby Related Person Transactions may not be deemed inconsistent with the best interest of the Company or its stockholders.

Autoliv's policy is that all Related Person Transactions shall be reviewed and approved or ratified by the Audit Committee of the Board of Directors.

For the purposes of this policy, a "Related Person Transaction" is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which Autoliv (including any of its subsidiaries) was, is or will be a participant and in which any Related Person had, has or will have a direct or indirect interest.

For purposes of this Policy, a "Related Person" means:

1. any person who is, or at any time since the beginning of the Company's last fiscal year was, a director or executive officer of the Company or a nominee to become a director of the Company;
2. any person who is known to be the beneficial owner of more than 5% of any class of the Company's voting securities;
3. any immediate family member of any of the foregoing persons, including any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the director, executive

officer, nominee or more than 5% beneficial owner, and any person (other than a tenant or employee) sharing the household of such director, executive officer, nominee or more than 5% beneficial owner; and

4. any firm, corporation or other entity in which any of the foregoing persons is employed or is a partner or principal or in a similar position or in which such person has a beneficial ownership interest.

## **Approval Procedures**

Related Person Transactions that are identified as such prior to the consummation thereof or amendment thereto shall be consummated or amended only once the following steps have been completed:

1. Prior to entering into the Related Person Transaction (a) the Related Person, (b) the director, executive officer, nominee or beneficial owner who is an immediate family member of the Related Person, or (c) the business unit or function/department leader responsible for the potential Related Person Transaction shall provide notice to the Group Vice President for Legal Affairs of the facts and circumstances of the proposed Related Person Transaction, including: (i) the Related Person's relationship to the Company and interest in the transaction; (ii) the material facts of the proposed Related Person Transaction, including the proposed aggregate value of such transaction or, in the case of indebtedness, the amount of principal that would be involved; (iii) the benefits to the Company of the proposed Related Person Transaction; (iv) if applicable, the availability of other sources of comparable products or services; and (v) an assessment of whether the proposed Related Person Transaction is on terms that are comparable to the terms available to an unrelated third party or to employees generally. In the event the notice is provided to the Group Vice President for Legal Affairs by someone other than the business unit or function/department leader responsible for the potential Related Person Transaction, a member of the legal department shall meet with the relevant business unit or function/department leader to confirm and supplement the information provided in the original notice. The Group Vice President for Legal Affairs will assess whether the proposed transaction is a Related Person Transaction for purposes of this policy.
2. If the Group Vice President for Legal Affairs determines that the proposed transaction is a Related Person Transaction, the proposed Related Person Transaction shall be submitted to the Audit Committee (the "Committee") for consideration at the next Committee meeting or, in those instances in which the Group Vice President for Legal Affairs, determines that it is not practicable or desirable for the Company to wait until the next Committee meeting, to the Chair of the Committee.
3. The Committee, or where submitted to the Chair, the Chair, shall consider all of the relevant facts and circumstances available to the Committee or the Chair, including

(if applicable) but not limited to: the benefits to the Company; the impact on a director's independence in the event the Related Person is a director, an immediately family member of a director or an entity in which a director is a partner, shareholder or executive officer; the availability of other sources for comparable products or services; the terms of the transaction; and the terms available to unrelated third parties or to employees generally. No member of the Committee shall participate in any review, consideration or approval of any Related Person Transaction with respect to which such member or any of his or her immediate family members is the Related Person. The Committee (or the Chair) shall approve only those Related Person Transactions that are in, or are not inconsistent with, the best interests of the Company and its stockholders, as the Committee (or the Chair) determines in good faith. The Committee or Chair, as applicable, shall convey the decision to the Group Vice President for Legal Affairs who shall convey the decision to the appropriate persons within the Company.

4. If a potential Related Party Transaction is pending, ongoing or completed, it shall be submitted promptly to the Committee for the same evaluation.
5. The Chair of the Committee shall report to the Committee at the next Committee meeting any approval under this policy pursuant to his or her delegated authority.

No immediate family member of a director or executive officer shall be hired as an employee of the Company unless the employment arrangement is approved by the Committee at the next Committee meeting or, in those instances in which the Group Vice President for Legal Affairs determines that it is not practicable or desirable for the Company to wait until the next Committee meeting, by the Chair of the Committee. In the event a person becomes a director or executive officer of the Company and an immediate family member of such person is already an employee of the Company, no material change in the terms of employment, including compensation, may be made without the prior approval of the Committee (except, if the immediate family member is himself or herself an executive officer of the Company, any proposed change in the terms of employment shall be reviewed and approved in the same manner as other executive officer compensatory arrangements).

All Related Person Transactions that are required to be disclosed in the Company's filings with the Securities and Exchange Commission, as required by the Securities Act of 1933 and the Securities Exchange Act of 1934 and related rules and regulations, shall be so disclosed in accordance with such laws, rules and regulations.

The material features of this policy shall be disclosed in the Company's annual report on Form 10-K or in the Company's proxy statement, as required by applicable laws, rules and regulations.

## **DISCLOSURES IN PERIODIC REPORTS**

As a public company, Autoliv is required to file various periodic reports with the Securities and Exchange Commission. It is Company policy to make full, fair, accurate, timely and understandable disclosure in compliance with all applicable laws and regulations in all such required periodic reports and in other public communications made by the Company.

## **COMPLIANCE WITH THE CODE OF ETHICS**

If you have questions about this Code of Ethics, you should seek guidance from the General Counsel. If you know of or suspect a violation of applicable laws or regulations or the Code of Ethics, you must immediately report that information to the Chief Executive Officer, the General Counsel or the Audit Committee of the Board of Directors. *No one will be subject to retaliation because of a good-faith report of a suspected violation.*

Violations of this Code of Ethics may result in disciplinary action, up to and including discharge. The Audit Committee of the Board of Directors shall determine, or designate appropriate persons to determine appropriate action in response to violations of this Code.

## **WAIVERS OF THE CODE**

The Company will waive application of the policies set forth in this Code of Ethics only when circumstances warrant granting a waiver, and then only in conjunction with any appropriate monitoring of the particular situation. Changes in and waivers of this Code of Ethics may be made only by the Board of Directors or the Audit Committee of the Board and will be disclosed as required under applicable law and regulations.

## **NO RIGHTS CREATED**

This Code is a statement of the fundamental principles and key policies and procedures that govern the Company's Senior Officers in the conduct of Autoliv's business. It is not intended to and does not constitute an employment contract or assurance of continued employment, and does not create any rights in any employee, client, supplier, competitor, shareholder or any other person or entity.