



**CHARTER OF THE AUDIT AND RISK COMMITTEE  
OF THE BOARD OF DIRECTORS OF AUTOLIV, INC.**

**I. PURPOSE OF THE COMMITTEE**

The purposes of the Audit and Risk Committee (the “Committee”) of the Board of Directors (the “Board”) of Autoliv, Inc. (the “Corporation”) shall be to provide assistance to the Board in fulfilling its oversight responsibility relating to:

- (a) the quality or integrity of the Corporation's financial statements and the financial reporting process,
- (b) the systems of internal control over disclosure and financial reporting,
- (c) the performance of the internal audit function,
- (d) the independent auditors' performance, qualifications and independence,
- (e) the compliance by the Corporation with legal and regulatory requirements relating to disclosure and financial reporting,
- (f) the preparation of the report required to be prepared by the Committee pursuant to the rules of the Securities and Exchange Commission (the “SEC”) for inclusion in the Corporation's annual proxy statement,
- (g) compliance with the laws and regulations applicable to the Corporation's business,
- (h) compliance with the Corporation's Standards of Business Conduct and Ethics and related policies by employees, officers, directors and other agents and associates of the Corporation that are designed to support lawful and ethical business conduct by the Corporation and its employees and promote a culture of compliance, and
- (i) reviewing with management the Corporation’s enterprise risk management programs and practices.

In so doing, it is the responsibility of the Committee to establish and maintain free and open means of communication amongst the Committee, the Board of Directors, the independent auditors, the internal audit function, and management.

**II. CHARTER**

The charter will be reviewed and reassessed by the Committee at least annually and any proposed changes will be submitted to the Board for approval.

**III. COMPOSITION OF THE COMMITTEE**

The Committee shall be comprised of three or more directors who qualify as independent directors and are otherwise qualified to serve on the Committee pursuant to the requirements of the New York Stock Exchange (the “NYSE”), the Sarbanes Oxley Act of 2002, and the rules and regulations

promulgated by the SEC. Each committee member shall satisfy the independence requirements of the NYSE and Rule 10A-3(b)(1) of the Exchange Act of 1934, as amended (the "Exchange Act").

No director may serve as a member of the Committee if such director serves on the audit committee of more than two (2) other public companies, unless the Board determines that such simultaneous service would not impair the ability of such director to effectively serve on the Committee. Any such determination must be disclosed in the Corporation's annual proxy statement.

Director's fees (including any additional amounts paid to chairpersons of committees and to members of committees of the Board) are the only compensation a member of the Committee may receive from the Corporation; provided, however, that a member of the Committee may also receive pension or other forms of deferred compensation from the Corporation for prior service so long as such compensation is not contingent in any way on continued service.

The members of the Committee shall be nominated by the Nominating and Corporate Governance Committee and elected annually to one year terms by majority vote of the Board. Vacancies on the Committee shall be filled by majority vote of the Board at the next meeting of the Board following the occurrence of the vacancy. No member of the Committee shall be removed except by majority vote of the independent directors then in office. The Board shall designate one member of the Committee as its Chairperson. Each member of the Committee must be "financially ALV Audit Committee literate", as such qualification is interpreted by the Board in its business judgment, or must become financially literate within a reasonable period of time after his or her appointment to the Committee. In addition, at least one member of the Committee must have "accounting or related financial management expertise", as the Board interprets such qualification in its business judgment. Further, either (i) at least one member of the Committee must be a "financial expert", as such term is defined in the rules and regulations promulgated by the SEC, or (ii) if no member of the Committee is a "financial expert", the Committee shall so inform the Corporation.

#### **IV. MEETINGS AND PROCEDURES OF THE COMMITTEE**

The Committee shall meet at least quarterly and shall establish a schedule of meetings at the beginning of each year. Additional meetings may be scheduled as required. The Chairperson of the Committee, or a majority of the members of the Committee, may also call a special meeting of the Committee. A majority of the Committee members present in person, or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, shall constitute a quorum. The Committee shall fix its own rules of procedure, which shall be consistent with the By-laws of the Corporation and this Charter.

The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate; provided, however, that no subcommittee shall consist of fewer than two members; and provided further that the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole.

The Committee may request any officer, director, or employee of the Corporation, the Corporation's outside legal counsel, the Corporation's internal audit function or the Corporation's independent auditors to attend a meeting of the Committee or to meet with any members of, or consultants to the Committee. The Committee shall meet separately, periodically, with management, with the head of the internal audit function, and with the independent auditors.

Following each of its meetings, the Committee shall deliver a report on the meeting to the Board, including a description of all actions taken by the Committee at the meeting. The Committee shall keep written minutes of its meetings, which minutes shall be maintained with the books and records of the Corporation.

## **V. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE**

In carrying out its duties and responsibilities, the Committee's policies and procedures should remain flexible, so that it may be in a position to best react or respond to changing circumstances or conditions. The following are within the authority of the Committee:

(a) Appoint, in its sole discretion (subject to stockholder ratification), and be responsible for the compensation, retention and oversight of the work of, the firm of independent auditors to audit the books and accounts of the Corporation and its subsidiaries for each fiscal year or performing other audit, review or attest services for the Corporation;

(b) Review and, in its sole discretion, approve in advance the Corporation's independent auditors' annual engagement letter, including the proposed fees contained therein, as well as all audit and all permitted non-audit engagements and relationships between the Corporation and such auditors (which approval should be made after receiving input from the Corporation's management). Prior to the engagement of the independent auditors, the Committee must receive in writing from the independent auditors a description of all relationships between such auditor and the Corporation or any person in financial reporting oversight roles at the Corporation that would bear on the auditor's independence. The Chairperson of the Committee may individually approve audit and permitted non-audit services up to \$100,000 per service and shall report such approval to the Committee at the next scheduled meeting;

(c) Review the performance of the Corporation's independent auditors, including the lead partner of the independent auditors, and, in its sole discretion (subject to stockholder ratification), make decisions regarding the replacement or termination of the independent auditors when circumstances warrant;

(d) Obtain at least annually from the Corporation's independent auditors and review a report describing:

- i. the independent auditors' internal quality-control procedures;
- ii. any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditors, or by any inquiry or investigation by any governmental or professional authority, within the preceding five years, respecting one or more independent audits carried out by the independent auditors, and any steps taken to deal with any such issues;
- iii. all relationships between the independent auditors and the Corporation (including a description of each category of services provided by the independent auditors to the Corporation and a list of the fees billed for each such category) including any such relationships that would bear on the auditors' independence; and

- iv. the independent auditors' affirmation that, as of the date of the communication to the Corporation, it is independent, pursuant to applicable accounting rules or standards.

The Committee should present its conclusions with respect to the above matters, as well as its review of the lead partner of the independent auditors, and its views on whether there should be a regular rotation of the independent auditors, to the Board.

(e) Oversee the independence of the Corporation's independent auditors by, among other things:

- i. actively engaging in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors, and taking appropriate action to satisfy itself of the auditors' independence;
- ii. ensuring that the lead audit partner and reviewing audit partner responsible for the audit of the Corporation's financial statements have not performed audit services for the Corporation for more than the previous five consecutive fiscal years of the Corporation;
- iii. ensuring that the chief executive officer, controller, chief financial officer, chief accounting officer or other person serving in an equivalent position of the Corporation, was not, within one year prior to the initiation of the audit, an employee of the independent auditors who participated in any capacity in the Corporation's audit; and
- iv. considering whether there should be a regular rotation of the independent auditors;

(f) Instruct the Corporation's independent auditors that they are ultimately accountable to the Committee and the Board, and that the Committee is responsible for the selection (subject to stockholder ratification), evaluation and termination of the independent auditors;

(g) Review and accept, if appropriate, the annual audit plan of the Corporation's independent auditors, including the scope of audit activities and all critical accounting policies and procedures to be used by the Corporation, and monitor such plan's progress and results during the year;

(h) Review the results of the year-end audit of the Corporation, including any comments or recommendations of the Corporation's independent auditors;

(i) Review with management, the Corporation's independent auditors and, if appropriate, the head of the Corporation's internal audit function, the following:

- i. the Corporation's annual audited financial statements and quarterly financial statements, including the Corporation's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations", and any major issues related thereto;
- ii. critical accounting policies and procedures and such other accounting policies and procedures of the Corporation as are deemed appropriate for

review by the Committee prior to any interim or year-end filings with the SEC or other regulatory body, including any financial reporting issues which could have a material impact on the Corporation's financial statements;

- iii. major issues regarding accounting principles and financial statements presentations, including (A) any significant changes in the Corporation's selection or application of accounting principles and (B) any analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the ramifications and effects of alternative generally accepted accounting principles methods on the Corporation's financial statements;
- iv. all alternative treatments of financial information that have been discussed by the independent auditors and management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors;
- v. all other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences; and
- vi. the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Corporation;

(j) The Committee shall discuss with the Corporation's independent auditors the matters required to be discussed by the applicable PCAOB auditing standards;

(k) The Committee shall determine whether to recommend to the Board that the audited financial statements be included in the Corporation's Annual Report on Form 10-K for the fiscal year subject to the audit based on the review and discussions required by the SEC;

(l) Review with the chief executive officer, the chief financial officer and the Corporation's independent auditors, periodically, the following:

- i. all significant deficiencies in the design or operation of internal controls which could adversely affect the Corporation's ability to record, process, summarize, and report financial data, including any material weaknesses in internal controls identified by the independent auditors;
- ii. any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal controls; and
- iii. any significant changes in internal controls or in other factors that could significantly affect internal controls, including any corrective actions with regard to significant deficiencies and material weaknesses;

(m) Review with management the Corporation's disclosure controls and procedures related to internally reporting and processing information about cybersecurity risks and incidents to ensure

that such information is reported to the appropriate personnel to enable senior management to make timely and appropriate disclosure decisions with respect to such information.

(n) Attempt to resolve all disagreements between the Corporation's independent auditors and management regarding financial reporting;

(o) Review on a regular basis with the Corporation's independent auditors any problems or difficulties encountered by the independent auditors in the course of any audit work, including management's response with respect thereto, any restrictions on the scope of the independent auditors' activities or on access to requested information, and any significant disagreements with management. In connection therewith, the Committee should review with the independent auditors the following:

- i. any accounting adjustments that were noted or proposed by the independent auditors but were rejected by management (as immaterial or otherwise);
- ii. any communications between the audit team and the independent auditor's national office respecting auditing or accounting issues presented by the engagement; and
- iii. any "management" or "internal control" letter issued, or proposed to be issued, by the independent auditors to the Corporation;

(p) Confirm that the Corporation's interim financial statements included in Quarterly Reports on Form 10-Q, including the Corporation's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operation," have been reviewed by the Corporation's independent auditors;

(q) Review:

- i. the adequacy and effectiveness of the Corporation's accounting and internal control policies and procedures on a regular basis; and
- ii. the yearly report prepared by management assessing the effectiveness of the Corporation's internal control structure and procedures over financial reporting and stating management's responsibility to establish and maintain such structure and procedures, prior to its inclusion in the Corporation's annual report;

(r) Review and

- i. approve the annual Group Internal Audit plan and its budget and resource plan;
- ii. accept the compensation of the Corporation's internal audit function;

(s) Review with management the Corporation's administrative, operational and accounting internal controls, including any special audit steps adopted in light of the discovery of significant deficiencies and material weaknesses, and evaluate whether the Corporation is operating in accordance with its prescribed policies, procedures and codes of conduct;

(t) Evaluate the effectiveness of the Corporation's disclosure controls and procedures as of the end of each fiscal year quarter and year-end, with the Corporation's independent auditors, if the Committee deems necessary;

(u) Review with management the materiality of information and events relating to or affecting the Corporation and the timing and appropriate method of disclosure of information deemed material;

(v) Review in advance, in conjunction with senior management, each Form 10-K and Form 10-Q filed by the Corporation with the SEC, and each Annual Report to stockholders, to determine the adequacy and accuracy of the disclosures included therein;

(w) Receive periodic reports from the Corporation's independent auditors and management of the Corporation to assess the impact on the Corporation of significant accounting or financial reporting developments that may have a bearing on the Corporation;

(x) Establish and maintain free and open means of communication among the Board, the Committee, the Corporation's independent auditors, the Corporation's internal audit function, and management, including meeting with such parties separately and privately on a periodic basis;

(y) Review and approve the Corporation's earnings press releases (especially the use of "pro forma" or "adjusted" information not prepared in compliance with generally accepted accounting principles), as well as financial information and earnings guidance provided by the Corporation to analysts and rating agencies (which review may be done generally (i.e., discussion of the types of information to be disclosed and type of presentations to be made)), to determine the adequacy and accuracy of the disclosures included therein;

(z) Establish clear hiring policies by the Corporation for employees or former employees of the Corporation's independent auditors;

(aa) Make recommendations to the Board regarding the Corporation's dividend, financing and fiscal policies, including risks related to exchange rates;

(bb) Review the financial impact and associated risks of major events on the Corporation, such as mergers, acquisitions, reorganizations, divestitures and other transactions;

(cc) Meet at least annually with the general counsel, and outside legal counsel when appropriate, to review legal and regulatory matters, including any matters that may have a material impact on the financial statements of the Corporation;

(dd) Prepare the report required by the rules of the SEC to be included in the Corporation's annual proxy statement;

(ee) Review the Corporation's policies relating to the avoidance of conflicts of interest and review proposed transactions between the Corporation and members of management as well as policies and procedures with respect to officers' expense accounts and perquisites, including the use of corporate assets. Review and approve any related person transactions in accordance with the Corporation's Related Person Transactions Policy. The Committee shall consider the results of any review of these policies and procedures by the Corporation's independent auditors and

communicate with the independent auditors as required under PCAOB Auditing Standard No. 18 “Related Parties”;

(ff) Review periodically the adequacy of the financial controls found within the Corporation’s Corporate Governance Guidelines and the Corporation’s Standards of Business Conduct and Ethics. In furtherance of which the Committee shall review and investigate any matters related to financial noncompliance or potential financial noncompliance;

(gg) Obtain from the Corporation’s independent auditors any information pursuant to Section 10A of Exchange Act;

(hh) Establish procedures for (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;

(ii) Secure independent expert advice to the extent the Committee determines it to be appropriate, including retaining, with or without Board approval, independent counsel, accountants, consultants or others, to assist the Committee in fulfilling its duties and responsibilities, the cost of such independent expert advisors to be borne by the Corporation;

(jj) Report regularly to the Board on its activities, as appropriate. In connection therewith, the Committee should review with the Board any issues that arise with respect to the quality or integrity of the Corporation’s financial statements, the financial reporting process, the system of internal control over disclosure and financial reporting,, the Corporation’s compliance with legal and regulatory requirements relating to disclosure and financial reporting, the performance, qualifications and independence of the Corporation’s independent auditors, and the performance of the Corporation’s internal audit function;

(kk) Oversee the Corporation's compliance efforts with respect to the laws and regulations applicable to the Corporation's business, the Corporation's Standards of Business Conduct and Ethics, and any other similar policies adopted by the Board from time to time, and the policies and procedures designed to provide protection against retaliation for raising compliance related issues;

(ll) Oversee the investigation of, and, when appropriate, request the investigation of, any significant instances of noncompliance or potential noncompliance with the laws and regulations applicable to the Corporation or the Corporation's compliance programs, policies or procedures that are reported to the Committee. The Committee may retain, at the Corporation's expense, independent counsel or other advisers as it deems necessary or appropriate;

(mm) Oversee and review with management the Corporation’s enterprise risk management framework and practices;

(nn) Periodically receive and review reports and presentations from management on the status of the Corporation's enterprise risk management program in relation to the internal and external risk environment, including, but not limited to, risks associated with information technology, data security and privacy;

(oo) Review the Corporation's Standards of Business Conduct and Ethics and other related policies, in effect currently or hereafter, applicable to employees, officers, directors and other

agents and associates of the Corporation, and the procedures for identifying and investigating any alleged violation of such Code or other policy, at least annually and make recommendations to the Board as appropriate. The Committee will receive periodic reports, not less than quarterly, from the General Counsel and/or the Vice President, Compliance on the Compliance Program and related activities, including global antitrust compliance and antitrust compliance efforts;

(pp) Oversee management's procedures for (i) the receipt, retention and treatment of complaints received by the Corporation from internal and external sources, including the Autoliv Helpline, regarding compliance issues and matters other than financial matters, which shall be handled by the Audit Committee, and (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable compliance or ethics matters;

(qq) Obtain at least quarterly from the General Counsel or Vice President, Compliance a report on retaliation claims, lawsuits alleging retaliation, settlements of retaliation claims, and reports of alleged retaliation to the Legal Department;

(rr) Obtain from the General Counsel and review such reports of investigations, conduct, misconduct, and other issues as it requests and otherwise as the General Counsel deems appropriate. The General Counsel shall report to the Committee potential criminal acts and significant violations of the Standards of Business Conduct and Ethics committed by employees, officers, directors and other agents and associates of the Corporation, including vendors and customers, and all disciplinary actions and remedial measures involving compliance infractions as soon as practicable after he becomes aware of them and no later than the next scheduled meeting of the Committee;

(ss) Secure independent expert advice to the extent the Committee determines it to be appropriate, including retaining, with or without Board approval, independent outside counsel, consultants or others to assist the Committee in fulfilling its duties and responsibilities, with the cost of such independent expert advisors to be borne by the Corporation; and

(tt) Perform such additional activities, and consider such other matters, within the scope of its responsibilities, as the Committee or the Board deems necessary or appropriate.

## **VI. EVALUATION OF THE COMMITTEE**

The Committee shall, on an annual basis, evaluate its performance under this Charter. In conducting this review, the Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope. The Committee shall address all matters that the Committee considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board, the manner in which they were discussed or debated, and whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner. The Committee shall deliver to the Board a report setting forth the results of its evaluation, including any recommended amendments to this Charter and any recommended changes to the Corporation's or the Board's policies or procedures. The report to the Board may take the form of an oral report by the Chairperson of the Committee or any other member of the Committee designated by the Committee to make this report.

## **VII. INVESTIGATIONS AND STUDIES; OUTSIDE ADVISERS**

The Committee may conduct or authorize investigations into or studies of matters within the

Committee's scope of responsibilities, and may retain or obtain the advice of independent counsel or other advisers as it deems necessary or appropriate in its sole discretion. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any independent legal counsel or other adviser retained by the Committee, including sole authority to approve the adviser's fees and other retention terms. The Corporation will provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, independent legal counsel or any other adviser retained by the Committee. Prior to the retention of a compensation consultant, independent legal counsel or any other external adviser, and from time to time as the Committee deems appropriate, the Committee shall assess the independence of such adviser from management, taking into consideration all factors relevant to such adviser's independence, including factors specified in the NYSE listing standards.

In discharging its oversight role, the Committee is entitled to full access to all books, records, facilities and personnel of the Corporation.

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While the Committee has the duties and responsibilities set forth in this charter, the Committee is not responsible for planning or conducting the audit or for determining whether the Corporation's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. In fulfilling their responsibilities hereunder, it is recognized that members of the Committee are not full-time employees of the Corporation, it is not the duty or responsibility of the Committee or its members to conduct auditing or accounting reviews or procedures or to set auditor independence standards, and each member of the Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Corporation from which it receives information, (ii) the accuracy of the financial and other information provided to the Committee absent actual knowledge to the contrary (which shall be promptly reported to the Board) and (iii) statements made by management or third parties as to any information technology, internal audit and other non-audit services provided by the independent auditors to the Corporation.

**AS AMENDED BY THE BOARD OF DIRECTORS ON September 16, 2021.**