

AUTOLIV INC
Form DEF 14A
March 23, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Schedule 14A Information

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

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 under §240.14a-12

Autoliv, 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:

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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:

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March 23, 2015

Dear Stockholder,

It is my pleasure to invite you to the 2015 Annual Meeting of Stockholders of Autoliv, Inc. to be held on Tuesday, May 5, 2015 at The Langham, Chicago, 330 North Wabash Avenue, Chicago, Illinois, 60611, commencing at 9:00 a.m. local time.

Information regarding the matters to be voted upon at this year's Annual Meeting is attached in the Notice of Annual Meeting of Stockholders and this Proxy Statement.

It is important that your shares are represented at the Annual Meeting. Therefore, please provide your proxy by following the instructions provided in this Proxy Statement and on the Notice of Internet Availability of Proxy Materials. This way, your shares will be voted as you direct even if you cannot attend the Annual Meeting.

A public news release announcing voting results will be published after the Annual Meeting.

The Autoliv, Inc. Annual Report for the fiscal year ended December 31, 2014 is being made available to stockholders with this Proxy Statement. These documents are available at www.autoliv.com.

On behalf of the entire board of directors, we look forward to seeing you at the Annual Meeting.

Sincerely,

Jan Carlson
*Chairman of the Board of Directors,
President and Chief Executive Officer*

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AUTOLIV, INC.

Box 70381 SE-107 24

Stockholm, Sweden

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON MAY 5, 2015

TO THE STOCKHOLDERS OF AUTOLIV, INC.,

NOTICE IS HEREBY GIVEN that the 2015 Annual Meeting of Stockholders of Autoliv, Inc. (Autoliv or the Company) will be held on Tuesday, May 5, 2015 commencing at 9:00 a.m. local time at The Langham, Chicago, 330 North Wabash Avenue, Chicago, Illinois, 60611, to consider and vote upon:

1. Election of six directors to the Board of Directors of Autoliv for a term of office expiring on the date of the Annual Meeting of Stockholders in 2016 (see page 4 of the accompanying Proxy Statement).
2. An advisory resolution to approve the compensation of the Company's named executive officers (see page 50 of the accompanying Proxy Statement).
3. Ratification of the appointment of Ernst & Young AB as the Company's independent auditors for the fiscal year ending December 31, 2015 (see page 50 of the accompanying Proxy Statement).

4. Any other business that may properly come before the Annual Meeting or any continuation, postponement or adjournment thereof. The Board of Directors has fixed the close of business on March 9, 2015 as the record date for the Annual Meeting. All stockholders of record at the close of business on that date are entitled to notice of, and to be present and vote at, the Annual Meeting and at any continuation thereof.

Attendance at the Annual Meeting will be limited to stockholders of record, beneficial owners of Company common stock entitled to vote at the Annual Meeting having evidence of ownership, a maximum of one authorized representative of an absent stockholder, and invited guests of management. Any person claiming to be an authorized representative of a stockholder must, upon request, produce written evidence of such authorization.

The meeting will be conducted pursuant to the Company's Second Restated By-Laws and rules of order prescribed by the Chairman of the Annual Meeting.

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By order of the Board of Directors

of Autoliv, Inc.:

Fredrik Peyron

Group Vice President for Legal Affairs,

General Counsel and Secretary

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The following executive summary is intended to provide a broad overview of the items that you will find elsewhere in this Proxy Statement. As this is only a summary, we encourage you to read the entire Proxy Statement for more information about these topics prior to voting.

Annual Meeting of Stockholders

Time and Date: Tuesday, May 5, 2015; 9:00 a.m. local time
 Location: The Langham, Chicago, 330 North Wabash Avenue, Chicago, Illinois, 60611
 Record Date: Stockholders as of March 9, 2015 are entitled to vote.
 Admission: Please see the instructions on page 1 of this Proxy Statement.

Meeting Agenda and Voting Matters

Proposal	Board's Voting Recommendation	Page References
1. Election of Directors	FOR EACH NOMINEE	4
2. Advisory Vote To Approve Executive Compensation	FOR	50
3. Ratification of Independent Auditors	FOR	50

PROPOSAL 1**Directors of the Company
Current**

Name	Age	Since	Expires	Director	Term	Independent	Committees	Other Current Public Co. Boards
Director Nominees for Election (Proposal No. 1)								
Aicha Evans	46	2015	2015	Yes			-	0
David E. Kepler	62	2015	2015	Yes			-	2
Xioazhi Liu	59	2011	2015	Yes			NCG, CPC	1
George A. Lorch	73	2003	2015	Yes			NCG (Chair), CC	3
Kazuhiko Sakamoto	69	2007	2015	Yes			CPC (Chair), NCG	0
Wolfgang Ziebart	65	-	-	Yes			-	2
Directors with Continuing Terms								
Robert W. Alspaugh	68	2006	2016	Yes			AC (Chair), CPC	2
Franz-Josef Kortüm	64	2014	2016	Yes			AC, CC	1
Jan Carlson	54	2007	2017	No			-	2
James M. Ringler	69	2002	2017	Yes			CC (Chair), AC	4

AC: Audit Committee

CC: Compensation Committee

NCG: Nominating and Corporate Governance Committee

CPC: Compliance Committee

The Company amended its Certificate of Incorporation in May 2014 to declassify the Board and provide for the annual election of directors. The amendments phase-in the declassification and by 2017, all directors will be elected for one-year terms.

Attendance:

Each director serving in 2014 attended at least 91% of the aggregate number of Board and applicable Committee meetings in 2014.

Governance Highlights:

8 Independent Directors

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Independent Lead Director of the Board

Recent Declassification of the Board

Diverse Board in Terms of Gender, Ethnicity, Experience and Skills

Regular Board and Committee Self-Evaluations

Stock Ownership Guidelines for Directors and Executive Officers

Active Stockholder Engagement

Risk Oversight by Full Board and Committees

Company Policy Against Hedging, Short-Selling and Pledging by Executives

Table of Contents**PROPOSAL 2****Advisory Vote to Approve Executive Compensation**

We are requesting that our stockholders approve, on an advisory basis, the compensation of the Named Executive Officers as disclosed in this Proxy Statement. This proposal was supported by approximately 86.6%, 76.5% and 76% of the votes cast in each of 2014, 2013 and 2012, respectively. Please see the Compensation Discussion and Analysis, Summary Compensation Table and other tables and disclosures beginning on page 22 of this Proxy Statement for a full discussion of our executive compensation program.

2014 Compensation Decisions

The table below highlights the 2014 total direct compensation for each Named Executive Officer⁽¹⁾.

NEO	Base Salary \$(2)	Annual Bonus \$(2)	Stock Options (\$)	RSUs (\$)
Jan Carlson	1,202,299	598,745	239,951	408,169
Mats Wallin	508,297	162,181	92,788	157,867
George Chang	595,541	222,434	79,671	135,555
Steven Fredin	526,000	196,461	79,671	135,555
Jonas Nilsson	387,240	144,634(3)	79,671	135,555

(1) With the exception of Mr. Adamson, who ceased performing services as our Vice President Human Resources as of August 31, 2014.

(2) For currency exchange rates used, see footnote 1 to the Summary Compensation Table on page 37 of this Proxy Statement.

(3) Mr. Nilsson also received a signing bonus of \$236,824.

Compensation Governance Highlights

The Compensation Committee is composed solely of independent directors.

The Company amended its Certificate of Incorporation in May 2014 to declassify the board and provide for the annual election of directors. The amendments phase-in the declassification and by 2017, all directors will be elected for one-year terms.

We have stock ownership guidelines for our executive officers, including the named executive officers, and our independent directors.

The Compensation Committee reviews tally sheets in connection with making compensation decisions.

We do not provide U.S. tax code Section 280G excise tax gross ups.

The 1997 Plan prohibits the repricing of stock options without stockholder approval.

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We have a compensation recoupment policy that complies with and goes beyond the parameters described in the Dodd-Frank Act, requiring current and former executives to return incentive compensation that is subsequently determined not to have been earned.

The exercise price of options granted under the 1997 Plan is never less than the closing price of our common stock on the date of grant.

Severance agreements for executives hired in 2011 and beyond have and will include double-trigger change-in-control severance benefits, rather than modified single-trigger arrangements.

The change in control definition contained in the 1997 Plan is not a liberal definition that would be activated on mere stockholder approval of a transaction.

PROPOSAL 3

Type of Fees	Ratification of Appointment of Independent Auditors	
	2014	2013
Audit Fees	\$ 7,335,000	\$ 7,054,000
Audit-Related Fees	\$ 135,000	\$ 209,000
Tax Fees	\$ 0.00	\$ 0.00
All Other Fees	\$ 0.00	\$ 0.00
Total	\$ 7,470,000	\$ 7,263,000

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AUTOLIV, INC.

Box 70381 SE-107 24

Stockholm, Sweden

PROXY STATEMENT

INFORMATION CONCERNING VOTING AND SOLICITATION

Availability of Proxy Materials on the Internet

Our Board of Directors (the "Board") has made this Proxy Statement and the Company's Annual Report for the year ended December 31, 2014 available to you on the Internet or, upon your request, has delivered printed versions of these materials to you by mail, in connection with the Board's solicitation of proxies for use at our Annual Meeting of Stockholders, to be held on Tuesday, May 5, 2015 commencing at 9:00 a.m. local time at The Langham, Chicago, 330 North Wabash Avenue, Chicago, Illinois, 60611, and at any adjournment thereof (the "2015 Annual Meeting" or the "Annual Meeting").

General

The date of this Proxy Statement is March 23, 2015, the approximate date on which this Proxy Statement and proxy card are first being made available on the Internet to stockholders entitled to vote at the Annual Meeting. The Annual Report for the fiscal year ended December 31, 2014 was first made available on February 19, 2015.

Who Can Vote

You are entitled to vote at the Annual Meeting if you were a stockholder of record of our common stock as of the close of business on March 9, 2015 (the "Record Date"). Your shares may be voted at the Annual Meeting only if you are present in person or represented by a valid proxy.

Shares Outstanding and Quorum

At the close of business on the Record Date, 88,304,755 shares of our common stock were outstanding and entitled to vote and no shares of our preferred stock were outstanding. A majority of the shares of our common stock outstanding on the Record Date, present in person or represented by proxy, will constitute a quorum at the Annual Meeting.

How to Vote

If you are a stockholder of record, you may vote by proxy on the Internet or by telephone by following the instructions provided in the Notice of Internet Availability of Proxy Materials sent to you. If you requested printed copies of the proxy materials by mail, or have a printed proxy card, you may also vote by completing and mailing a printed proxy card. You may also vote in person at the Annual Meeting.

If you are a beneficial owner of shares held in a "street name," please refer to the instructions provided by your bank, broker or other nominee for voting your shares. If you wish to vote in person at the Annual Meeting, you must obtain a valid proxy from the organization that holds your shares and have proof of ownership of our common stock as of the Record Date.

How Your Shares Will Be Voted

The shares represented by all properly executed and unrevoked proxies received in proper form in time for the Annual Meeting will be voted. Each stockholder is entitled to one vote for each share of common stock held

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on the Record Date. Our stockholders do not have cumulative voting rights. If you properly complete your proxy card and send it to the Company in time to vote, or submit your proxy electronically by Internet or telephone before voting closes, your proxy (one of the individuals named in the proxy card) will vote your shares as you have directed. If you sign the proxy card but do not make specific choices, your proxy will vote your shares as recommended by the Board: (i) to elect the director nominees listed in Election of Directors, (ii) to approve the compensation of the Company's named executive officers and (iii) for the ratification of the appointment of Ernst & Young AB as the Company's independent auditors.

Voting on Matters Not in Proxy Statement

If any other matter is presented, your proxy will vote in accordance with his or her best judgment, which will allow for your proxy to address unforeseen matters that may arise as well as matters incident to the conduct of the Annual Meeting, to the extent permitted by applicable law and the listing rules of the New York Stock Exchange (the "NYSE"). Note, however, that your proxy's ability to exercise discretionary voting authority under the proxy rules of the U.S. Securities and Exchange Commission ("SEC") is limited to certain enumerated matters. Because of the Company's advance notice requirements in its Second Restated By-Laws (the "By-Laws"), discretionary authority would likely only be used for ministerial matters at the Annual Meeting. As of the date of this Proxy Statement, the Company is not aware of any other matters to be acted on at the Annual Meeting other than those matters described in this Proxy Statement.

Revoking Proxies or Changing Your Vote

You may revoke your proxy and change your vote at any time before the final vote at the Annual Meeting. You may change your vote on a later date via the Internet or by telephone (in which case only your latest Internet or telephone proxy submitted prior to the Annual Meeting will be counted), by signing and returning a new proxy card or vote instruction form with a later date, or by attending the Annual Meeting and voting in person. However, your attendance at the Annual Meeting will not automatically revoke your proxy unless you properly vote at the Annual Meeting or specifically request that your prior proxy be revoked by delivering a written notice of revocation prior to the Annual Meeting.

Voting Rights of Holders of SDRs

Holders of Autoliv's Swedish Depositary Receipts ("SDRs") are entitled to vote the shares of common stock of the Company underlying the SDRs at the 2015 Annual Meeting as if they directly held the common stock of the Company. However, under the General Terms and Conditions of the SDRs, if holders of SDRs do not attend and represent their shares at the Annual Meeting in person or give instructions as to the exercise of their voting rights to the custodian, Skandinaviska Enskilda Banken AB (publ) ("SEB"), they are deemed to have instructed SEB to give a proxy to a person designated by the Company to vote their shares in the same proportion as all other shares that are being voted at the Annual Meeting. However, no such instruction from the holders of SDRs to SEB shall be deemed given to any merger, consolidation or any other matter which may affect substantially the rights or privileges of the holders of SDRs or with respect to any matter where giving such instructions and/or discretionary proxy would not be legally permitted.

Non-Voting Shares, Abstentions and Broker Non-Votes

Shares held by persons attending the Annual Meeting but not voting, shares represented by proxies that reflect abstentions as to a particular proposal and broker non-votes will be counted as present for purposes of determining a quorum. A broker non-vote occurs when a nominee holding shares for a beneficial owner has not received voting instructions from the beneficial owner and does not have discretionary authority to vote the shares. Brokers do not have discretionary authority to vote on Items 1 and 2 set forth below. Brokers generally have discretionary authority to vote on Item 3 set forth below.

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Vote Required to Approve Each Proposal at the Annual Meeting

The following summary describes the vote required to approve each of the proposals at the Annual Meeting.