1.0 PURPOSE

This policy provides guidelines regarding the recognition and disclosure of commitments and contingent liabilities.

2.0 SCOPE

This policy applies to all Brink's, Inc. (Brink's) corporate, regional, and country level business units.

3.0 RESPONSIBILITY

Overall responsibility for the policy lies with the BCO Controller. Continued compliance, successful implementation, and maintenance of financial records is the responsibility of business unit management. Corporate and Regional management are responsible for on-going monitoring of compliance with the policy.

4.0 POLICY

It is Brink's policy to accrue for the cost of all commitments and contingent liabilities when the incurrence of a loss/liability is *probable* and can be *reasonably estimated* to ensure full and transparent disclosure. A loss/liability may include items such as claims, lawsuits, administrative proceedings, and other events that arise in the course of business. New accruals and timely adjustments to existing accruals must be reflected in the trial balance reported by each business unit to the Brink's Corporate Accounting and Reporting Group. Sensitive or potentially confidential legal matters should first be *discussed* with in-house, Brink's legal counsel.

4.1 Objectives

Transactions recorded in the general ledger must be properly measured based on the underlying event in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP). All transactions occurring during the reporting period and current balances must be completely reflected in the general ledger. Only assets and liabilities for which Brink's has the rights of ownership or responsibility should be recorded in the general ledger. Transactions should be recorded only when they exist as supported by an underlying event. All amounts should be classified and disclosed to allow for accurate presentation of financial information. Management should ensure that all transactions and adjustments are appropriately authorized for recording to the general ledger.

5.0 PROCEDURE

The intent of this policy is to provide general guidelines to ensure sound business practices are followed, embodying the principles of sufficient internal controls and full disclosure. These procedures are not intended to address detailed, specific control activities applied by business units.

5.1 Identifying and Estimating a Contingent Liability

Contingent liabilities may or may not be recorded depending on the outcome of a future event. Liabilities are recorded in the U.S. GAAP financial statements when they are both *probable* and can be *reasonably estimated*. A disclosure in The Brink's Company (BCO) consolidated financial statements may also be required. The likelihood of a loss/liability is described as *probable*, *reasonably possible*, or *remote*.

Management must analyze any events that have, or might have, a financial statement impact to determine whether a loss/liability (and/or a potential disclosure) for the event should be recorded and when to report the event to Regional and Corporate Management.

The following factors, among others, should be considered in determining the potential impact of pending or threatened litigation, contingency, potential loss/liability, or actual or possible claims against Brink's:

a. The degree or probability of an unfavorable outcome.

b. The ability to make a reasonable estimate of the amount.

c. The period in which the underlying cause of the pending or threatened event or the actual or possible claim occurred.

When a loss contingency exists, the likelihood of an actual loss/liability occurring can range from *probable* to *remote* defined as follows:

a. **Probable**: The chance of a loss/liability occurring is high (generally greater than 70% chance).

b. **Reasonably possible**: The chance of a loss/liability occurring is more than remote but less than likely (generally 5% - 70% chance).

c. **Remote**: The chance of a loss/liability occurring is low (generally less than 5% chance).

Note: Percentages are provided as general guidance only to assist management in decision-making. Individual facts and circumstances must be considered.

An estimated loss/liability from a contingency should be accrued in the U.S. GAAP financial statements by a charge to the Income Statement if both of the following conditions are met:

1. Information available indicates that it is **probable** that a loss/liability has been incurred prior to the close of the accounting period.
2. The amount of the loss/liability can be **reasonably estimated**.

If it appears that a loss/liability may need to be recorded in the financial statements, advice should be obtained from functional professionals in such areas as Legal, Human Resources, Tax, or others who can assist in analyzing the event and determining the potential loss/liability range. Once a range has been determined, if an amount within the range is a better estimate than any other amount, that amount should be accrued. If no amount within the range is a better estimate than any other amount, the minimum amount in the range should be accrued. If an offer is made to settle a case, this amount is considered the minimum amount in the range.

If a loss/liability is only *reasonably possible* and not *probable*, or if the amount cannot be reasonably estimated, a financial statement entry is not required; however, disclosure in the consolidated BCO or Brink's financial statements may be required. When a contingent liability is *remote*, neither a financial statement entry nor a disclosure in the consolidated BCO or Brink's financial statements is required. Corporate or Regional Finance Management can assist in the decisions as to whether a financial statement entry or additional information for potential disclosure is required. The Brink’s Corporate Accounting and Reporting Group, in collaboration with BCO management, will determine if additional disclosures in the consolidated BCO financial statements are required.

Sensitive information should be discussed or otherwise communicated only with individuals who have a “need to know”. Additional information can be found in the *Safeguarding Financial Data and Company Records* policy.

5.1.1 Examples

Examples of potential contingent losses/liabilities include, but are not limited to:

- Obligations related to product or service warranties and defects
- Loss or damage of Brink’s property by fire, explosion, or other hazard
- Pending or threatened litigation
- Environmental cleanup
- Bonus, severance, or other compensation
- Other employee benefits contained in union or other agreements

- Actual or possible claims or assessments such as workers' compensation insurance or other employee or customer claims

For example, if a company is sued by a former employee for $50,000, that company has a contingent liability. If the company is found liable, it will have a liability for the amount of the judgment. However, if the company is not found liable, it will not have an actual loss/liability. In this case, before the judgment, the potential loss/liability amount is estimable. If after consulting with appropriate Senior Finance Management, Human Resources, and Legal Counsel, it is determined that it is *probable* that the company will be found liable for the full amount, liability for a loss contingency should be recorded for $50,000. If management determines that it is not probable to be found liable, no financial statement entry is required. If management believes it is probable that the case will be settled for $25,000, this amount should be accrued rather than the original $50,000 suit amount. As part of this review process, management should also consider whether other similar circumstances could potentially impact the company (such as other employees in situations similar to the claimant).

Regional and Corporate Finance Management shall be consulted in all potential loss contingencies.

5.2 Reporting a Contingent Liability Internally

Information concerning legal actions should be afforded confidentiality. Initial *discussions* should first be conducted by telephone contact with Brink's Legal Counsel.

Any actual or potential claim greater than $250,000 must be immediately communicated to the BCO Controller and Regional Management simultaneously.

Each month, a summary of actual or threatened events must be provided to the Regional Attorney for potential claims, lawsuits, administrative proceedings, and other events for amounts greater than $250,000. This summary should reflect only factual data and not include any opinions as to the potential outcome of any incident or probability. All matters must first be *discussed* with legal counsel *prior* to being recorded on the form. Accruals above $1 million must be reviewed with Regional Management, the BCO Controller, and BCO Legal Counsel.

Regional Management may lower the country reporting threshold. More formalized reporting of country-level events to Regional Management should be accomplished on **Exhibit A**, *Event Summary Report*, for all events greater than $250,000 by the sixth working day after month-end. Regional Management should provide a summary report to the Corporate Accounting and Reporting Group.

Information provided is intended to ensure accurate and full disclosure in the consolidated financial statements as necessary and should be able to support an audit.

Certain financial or non-financial matters of importance must be immediately communicated to more senior management for decision-making related to disclosures to the public through the Securities and Exchange Commission. These are also knows as “8K Events”, in which BCO may have an extremely short period of time to file required disclosures. Additional information on “8K Events” is available in guidance published by the BCO Legal Department and periodically distributed by the BCO Controller.

5.3 Recording Commitments at the End of an Accounting Period

A loss/liability must be recorded in the period in which it is incurred. This includes potential loss contingencies considered *probable* and *reasonably estimated* as well as all outstanding liabilities that have been incurred but not paid by the end of the accounting period. Additional information is contained in the *Accrued Liabilities* policy.

Special care should be exercised to review all existing and new agreements entered into for potential commitments. Specifically, union/employee agreements should be reviewed by Finance Management, Human Resources Management, and Legal Counsel to ensure that all potential contractual commitments are captured, recorded, and/or disclosed in the U.S. GAAP financial statements as required. Periodically (at least quarterly), amounts accrued must be reviewed against current facts and circumstances to determine if amounts reflected in the U.S. GAAP financial statements remain accurate. If necessary, professional advice should be obtained. Adjustments, if needed, should be recorded timely and within the same quarter.

Additional information on the classification and recording of commitments and contingencies can be found in the *Chart of Accounts* policy.

Management should consider insurance coverage when determining the amount to be recorded in the financial statements. Additional information can be found in the *Insurance* policy.

5.4 Subsequent Events

Events and transactions that occur after the balance sheet date but before the issuance of the BCO consolidated financial statements (subsequent event) should be analyzed to ensure proper accounting and reporting. When an event occurs and provides additional information about conditions that existed at the balance sheet date (i.e. asset was impaired, liability incurred, etc.) and that information significantly affects the financial statements or estimates used in preparing the financial statements, the financial statements may need to be adjusted. Events that provide evidence about conditions that did not exist at the balance sheet date but occurred after, may still require disclosure in the consolidated BCO financial statements. Therefore, significant events and transactions that occur after the balance sheet date must be reported immediately to Regional and Corporate Finance Management.

These decisions will be made by the Brink's Corporate Accounting and Reporting Group, in collaboration with BCO Accounting Management. Subsequent events which could indicate a potential commitment or contingency greater than $250,000 occurring within 35 days of a quarter-end or 60 days from year-end must be communicated immediately to Regional Management, unless the event is of a sensitive nature which should first be *discussed* with the Regional Legal Counsel. However, discussion with Legal Counsel should not unnecessarily delay communication with Regional Management.

6.0 ADVICE AND COUNSEL

Brink's Management includes accounting and finance professionals who are available to provide assistance and guidance to ensure compliance with this policy. Interpretation of guidance provided in this policy is the responsibility of the BCO Controller. Questions about this policy should first be directed to Regional Finance Management.

7.0 RELEVANT PROFESSIONAL LITERATURE

This policy is based on good business practice supported by a system of normal checks and balances and segregation of duties. U.S. GAAP requires that the Brink's financial statements include liabilities and expenses that are incurred during the period.

Specific U.S. GAAP pronouncements include:

FAS 5	Accounting for Contingencies
FIN 14	Reasonable Estimation of the Amount of a Loss—an interpretation of FASB Statement No. 5
AICPA SOP 94-6	Disclosure of Certain Significant Risks and Uncertainties
AICPA SOP 96-1	Environmental Remediation Liabilities

8.0 DOCUMENTATION

Country and Regional Management must maintain documentation supporting their on-going analysis of potential losses/liabilities or other commitments. This includes analyses done to determine the amount and justification for losses/liabilities recorded in the U.S. GAAP financial statements and evidence of appropriate management review.

Exhibit A

Country: ______________________

Region: ______________________

Date: __________

Number	Date	Claimant	Defendant	Case Name	Brief Description*	Attorney	Claimed Amount (USD)	Accounting Information			
								Beginning Accrued Amounts (USD)	Payments or Expense (USD)	Other Accounting Changes (USD)	Ending Accrued Amounts (USD)
1											
2											
3											
4											
5											

* Only factual data should be recorded. No opinions or probability of potential outcomes should be included. All new matters should first be *discussed* with legal counsel before being reflected on this form.