1.0 PURPOSE

This policy establishes standards and procedures for the prompt communication of significant unusual transactions to Corporate Accounting and Control to ensure the transactions are recorded in compliance with U.S. Generally Accepted Accounting Principles (U.S. GAAP).

2.0 RELEVANT U.S. GAAP

Relevant professional literature for this policy includes all U.S. GAAP guidance, SEC guidance, and other relevant U.S. laws and regulations that define accounting and reporting requirements for companies publicly traded within the U.S.

3.0 BRINK'S ACCOUNTING POLICY

The <u>accounting treatment</u> of a Material transaction or event identified under this policy (see below) should be approved by Corporate Accounting. Written documentation of the approved accounting treatment should be prepared collaboratively with Country, Regional and Corporate accounting staffs.

If the transaction sets a precedent for accounting transactions for all of Brink's, a new Corporate Accounting Policy (or an amendment of a previous policy) should be issued by Corporate Accounting. Until the policy is issued, the memo may be used as interim guidance for other similar transactions. If the memo could be useful for other Brink's subsidiaries, a Learn Once, Globally case study shall be prepared collaboratively and published on Brink's World.

To allow for sufficient time to prepare and review accounting conclusions before the quarter end accounting close time frame, Local or Regional accounting should discuss the transaction with Corporate Accounting and prepare a first draft of an Accounting Treatment Memo (see attached template) <u>within 10 calendar days</u> after the consummation of the transaction or event, unless the timing of the quarterly or annual close requires it to be prepared sooner. Early discussions with Corporate Accounting of proposed transactions are encouraged.

<u>Scope</u>

Material (as defined below) transactions or events are required to be reviewed and formally approved by Corporate Accounting. Immaterial transactions or events may be discussed with Corporate Accounting at any time but are not required to be formally approved.

Any of the following transactions or events, if material, is subject to this policy:

- A new type of Routine business transaction, including revenue or cost arrangements that have different terms from past arrangements
- A Non-routine transaction
- A change in an accounting policy or procedure

- A change in business procedures that could affect the timing or amount of the accounting recognition in the financial statements of revenues, expenses, assets, liabilities, equity or cash flows

The following transactions are NOT subject to this policy:
- Existing Routine transactions under existing types of arrangements.
- Immaterial transactions or events

Definitions

Material means exceeding $500,000 as measured by the amount of:
- Cash received
- Cash paid
- Change (or potential change) in the amount of recorded asset, liability, equity, gain or loss
- Change in expected future cash flows over a one-year period
- Shift (or potential shift) in income, expense or cash flow recognition from one fiscal quarter to another.

Routine means occurring at least once a quarter.

Non-routine means occurring less frequently than once a quarter.

Examples of transactions or events subject to the policy

A new type of Routine business transaction, including revenue or cost arrangements that have different terms from past arrangements
- New contracts or agreement with customers or suppliers that are different than those in the past
- Change in lease arrangement for the acquisition of vehicles
- Change in the maintenance agreement for third party vehicle maintenance
- Acquiring equipment primarily for the use of one customer

A Non-routine transaction
- The acquisition of an interest in another entity (whether whole or partial)
- The sale, disposal or impairment of an asset, group of assets or business interest
- A severance plan or lease termination
- Legal or regulatory actions or possible actions that could result in a gain/loss or change in the way we do business
- A lease is entered into that has significant incentives or other unusual terms

A change in an accounting policy or procedure
- Changing the way an accrual is calculated
- Changing the accounting for maintenance of vehicles
- Changing what costs are capitalized or expensed

A change in business procedures that could affect the timing or amount of the accounting recognition in the financial statements of revenues, expenses, assets, liabilities, equity or cash flows

- Changing the cut-off date or normal schedule for billing customers
- Changing the contractual billing terms for a group of customers or vendors

These transactions may require further analysis to determine the appropriate method of accounting under US GAAP. In addition, by their nature, they may result in amounts large enough to consider separate disclosure to investors through the SEC filing process. The goal of this policy is to identify these types of transactions early enough in the process to allow for adequate consideration with regard to accounting implications and disclosure.

Examples of transactions or events NOT subject to the policy

Existing Routine transactions for existing types of arrangements

- A CIT or cash logistics contract with a large customer that is no different from other normal contracts signed in the past

Immaterial transactions or events

- Transactions where cash received or paid is less than $500,000, and the change in balance sheet and income statement is also less than $500,000
- Change the way an accrual is calculated and the effect of the change is less than $500,000

4.0 PROCEDURE

4.1 Preliminary Discussion with Corporate Accounting

Regional management should discuss the transaction or event with the Director of Accounting or the Controller in the Corporate Accounting department immediately upon identification (do not wait until period end). A Corporate Accounting staff will be assigned to assist with the accounting research to assist with the resolution of the accounting treatment conclusions. If there are any questions or hesitations regarding whether or not a transaction is "Material," contact Corporate Accounting for further guidance.

4.2 Document Accounting Treatment

Once preliminary discussions with Corporate Accounting are completed, Local and Regional accounting staff should draft an Accounting Treatment Memo within 10 calendar days of the transaction or event to be submitted to Corporate Accounting staff. See the 5.0 DOCUMENTATION section below for further discussion of the documentation requirements.

5.0 DOCUMENTATION

Country, Regional and Corporate Accounting should collaborate to prepare an Accounting Treatment Memo documenting (1) the background of the transaction, (2) relevant guidance pertaining to the transaction, (3) discussion of considerations around the proper accounting for this issue and (4) conclusion on the proper accounting for this transaction in accordance with U.S. GAAP. This memorandum should include the amount of the transaction and the proposed journal entries to account for the transaction. Please use Exhibit A as a template for communications to Corporate Accounting.

6.0 EFFECTIVE DATE

This guidance is effective July 1, 2011.

EXHIBIT A – TEMPLATE FOR COMMUNICATIONS OF TRANSACTIONS

BRINKS

MEMORANDUM

To:	Corporate Accounting	Date:	
From:			
Subject:	Accounting Treatment		

Background:

This section should be used to describe the general background of the transaction, including what the transaction is, the amount of the transaction, etc.

Example: Brink's [affiliate] in [unnamed country] plans to implement a total headcount reduction of 50 employees. The communication to the affected individuals is expected to occur early in the next quarter and the total of the estimated payments to the group is expected to be approximately $500,000.

Guidance:

This section should be used to list the applicable U.S. GAAP guidance used to determine the proper accounting for the significant transaction.

Example: The applicable guidance to account for this severance action is in ASC 712, Compensation – Nonretirement Postemployment Benefits, as this action does not represent a one-time termination arrangement. As noted further below, the laws of [unnamed country] stipulate the amounts of benefits under an involuntary termination which thereby establishes a "substantive plan" under ASC 712. This guidance states that the liability should be recorded when it is probable of being paid and can be reasonably estimated.

Discussion:

This section should be used to document your considerations around the U.S. GAAP guidance listed above and how it applies to your transaction.

Example: The laws in [unnamed country] specify that each terminated individual receives a calculated termination benefit based on current salary and years of service. Specifically, each terminated individual receives two weeks of salary for each year of service. This is how we will calculate the amount of severance payments as we do not plan to pay any amounts in excess of the government's regulations. Management has the authority to carry out the action, has already identified the jobs to be terminated and it is unlikely that there will be changes to management's plan.

Conclusion:

This section should be used to document your conclusion on the proper accounting for this transaction based on the guidance and discussions above. Please use the 'Significant Transactions Form' attached below to document the journal entries recorded for this transaction.

Example: Because the country's laws stipulate how the benefit is to be calculated, the amount of severance is deemed reasonably estimable. Because management has identified the jobs/individuals to be terminated and it is unlikely that the plan will change, the severance action is probable of occurring. Therefore, we plan to accrue the liability in the current quarter, prior to communication to individuals, as we have met the conditions for recognizing the liability and expense. See the Significant Transactions Form for the proposed journal entries.

Reviewed by: ______________________ **Date:** ______________________

This section should be used to document the review of the memorandum by regional management prior to submission to Corporate Accounting.

Brink's
Significant Transactions

The purpose of this form is to provide BCO with details of any significant transactions > $500,000 USD, as discussed further in the Communication of Significant Transactions policy.

		Instructions
Country:		*Name of the country*
Company		*Name of the company where the transaction occurred or may occur*
Preparer:		*Name of finance contact most familiar with the transaction*
Date Prepared:		*Date of analysis*
Was an entry recorded?		*yes/no*
If so, what period was it recorded?		*Accounting period in which the adjustment was recorded*
Did this adjustment affect tax expense or tax asset(liability)?		*Tax Effect of Adjustment*

***if the adjustment affects tax, please ensure you include corresponding tax entry below.**

Currency		*Currency presented below*

		HFM Account Number	Account Description	Amount dr (cr) Local Currency
Transaction 1	Adjustment Description:			
	please provide a detailed description here			
Transaction 2	Adjustment Description:			
	please provide a detailed description here			
Transaction 3	Adjustment Description:			
	please provide a detailed description here			
Transaction 4	Adjustment Description:			
	please provide a detailed description here			
Transaction 5	Adjustment Description:			
	please provide a detailed description here			