



1.0 PURPOSE

This policy establishes a standard for determining, recording, and analyzing goodwill. Other intangible assets are addressed in a separate *Intangible Assets* policy.

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 this 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 establish, record, and annually assess goodwill for impairment in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP). Acquisitions with a fair market value greater than \$5,000,000 require the services of a professional, recognized third-party specialist.

4.1 Objectives

Transactions recorded in the general ledger must be properly valued based on the underlying event in accordance with U.S. GAAP. All transactions occurring during the reporting period and current balances must be completely reflected in the trial balance. Only assets and liabilities for which Brink's has the rights of ownership or responsibility for should be recorded in the trial balance. 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 trial balance.

5.0 PROCEDURE

5.1 Background

Goodwill is the difference between what is paid to acquire a business and the amounts assigned to the net assets of the acquired business. Goodwill is carried as an asset. Goodwill is *not* amortized. Goodwill must be tested for impairment (reduction in value) annually.



Upon the acquisition of any entity, the Brink's Corporate Accounting and Reporting Group, in collaboration with Local and Regional Finance Management, will determine the amount of goodwill to be recorded on the local country's U.S. GAAP-based financial statements and will provide the appropriate journal entries to the business unit.

Goodwill should be recorded as soon as administratively possible after an acquisition. Ideally, management should target recording goodwill within six months of the completion of an acquisition; however, it is especially important that goodwill be recorded accurately for year-end external reporting which may require that goodwill be recorded in less than six months if administratively feasible.

U.S. GAAP allows up to one year to finalize information needed to record goodwill. However, every attempt should be made to determine an accurate value of goodwill upon acquisition.

5.2 Impairment Analysis

Goodwill must be tested for impairment annually or upon the occurrence of certain triggering events which may indicate impairment. The annual goodwill impairment analysis, conducted each October 1, consists of a comparison of the amount allocated to each reporting unit as goodwill compared to the business unit's fair value. This annual impairment analysis is managed centrally by the Brink's Accounting and Reporting Group with the participation of Regional and Country management and a professional service firm.

Triggering events that may indicate that an interim impairment analysis needs to be conducted during a period include, but are not limited to:

- a. A significant adverse change in legal factors or in the business climate
- b. An adverse action or assessment by a regulator
- c. Unanticipated competition
- d. A loss of key personnel
- e. A more-likely-than-not expectation that a reporting unit or a significant portion of a business unit will be sold or otherwise disposed of
- f. The testing for recoverability of a significant asset group within a reporting unit
- g. Recognition of a goodwill impairment loss in the financial statements of a subsidiary that is a component of a reporting unit

Regional Management and the Corporate Accounting and Reporting Group must be contacted if there is any indication of the occurrence of any triggering event, as an interim goodwill impairment analysis may be required.

5.2.1 Determining Impairment Loss

Goodwill impairment analyses will be accomplished primarily by Regional and Corporate Finance Management. If any impairment losses are noted, the Brink's Corporate Accounting and Reporting Group will provide the



necessary journal entries to the relevant business unit to adjust the recorded (book) value of goodwill, as necessary.

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

Relevant professional literature for this policy includes U.S. GAAP guidance, SEC guidance, and other relevant U.S. laws and regulations that define accounting and reporting requirements for companies publicly owned and traded within the U.S. All Standards, Interpretations, Staff Positions, and Technical Bulletins issued by the U.S. Financial Accounting Standards Board (FASB) and applicable U.S. laws and regulations are considered in the preparation of this policy.

Specific U.S. GAAP pronouncements governing the accounting for goodwill include:

FAS 141	Business Combinations
FAS 142	Goodwill and Other Intangible Assets

8.0 DOCUMENTATION

Documentation surrounding the initial recording of goodwill, as well as any subsequent adjustments, must be maintained at the local country level. Evidence of the annual impairment analysis must also be maintained by the Brink's Corporate Accounting and Reporting Group, even if an impairment analysis results in no loss being recorded. Local countries should maintain documents provided by Corporate or Regional management to support goodwill entries recorded on the local U.S. GAAP-based financial statements.