UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

**FORM 10-Q**

**☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2019

**☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ________ to ________

Commission file number 001-09148

THE BRINK'S COMPANY
(Exact name of registrant as specified in its charter)

| Virginia | 54-1317776 |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |

1801 Bayberry Court, Richmond, Virginia 23226-8100

(Address of principal executive offices) (Zip Code)

(804) 289-9600

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock, par value $1.00 per share | BCO | New York Stock Exchange |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

(Check one): Large Accelerated Filer ☒ Accelerated Filer ☐ Non-Accelerated Filer ☐ Smaller Reporting Company ☐ Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

As of July 22, 2019, 49,999,493 shares of $1 par value common stock were outstanding.

**Part I - Financial Information**
**Item 1. Financial Statements**

**THE BRINK'S COMPANY**
**and subsidiaries**

**Condensed Consolidated Balance Sheets**
(Unaudited)

| *(In millions, except for per share amounts)* | | June 30, 2019 | December 31, 2018 |
|---|---|---|---|
| **ASSETS** | | | |
| Current assets: | | | |
| Cash and cash equivalents | $ | 304.9 | 343.4 |
| Restricted cash | | 105.8 | 136.1 |
| Accounts receivable, net | | 678.3 | 599.5 |
| Prepaid expenses and other | | 155.6 | 127.5 |
| Total current assets | | 1,244.6 | 1,206.5 |
| Right-of-use assets, net | | 280.8 | — |
| Property and equipment, net | | 712.7 | 699.4 |
| Goodwill | | 782.5 | 678.6 |
| Other intangibles | | 279.5 | 228.9 |
| Deferred income taxes | | 239.0 | 236.5 |
| Other | | 193.3 | 186.1 |
| Total assets | $ | 3,732.4 | 3,236.0 |
| **LIABILITIES AND EQUITY** | | | |
| Current liabilities: | | | |
| Short-term borrowings | $ | 29.2 | 28.9 |
| Current maturities of long-term debt | | 72.6 | 53.5 |
| Accounts payable | | 165.7 | 174.6 |
| Accrued liabilities | | 561.4 | 502.1 |
| Restricted cash held for customers | | 59.9 | 90.3 |
| Total current liabilities | | 888.8 | 849.4 |
| Long-term debt | | 1,657.7 | 1,471.6 |
| Accrued pension costs | | 189.7 | 196.9 |
| Retirement benefits other than pensions | | 365.5 | 366.1 |
| Lease liabilities | | 229.9 | — |
| Deferred income taxes | | 16.5 | 16.7 |
| Other | | 174.6 | 168.7 |
| Total liabilities | | 3,522.7 | 3,069.4 |
| Commitments and contingent liabilities (notes 4, 8 and 14) | | | |
| Equity: | | | |
| The Brink's Company ("Brink's") shareholders: | | | |
| Common stock, par value $1 per share: | | | |
| Shares authorized: 100.0 | | | |
| Shares issued and outstanding: 2019 - 50.0; 2018 - 49.7 | | 50.0 | 49.7 |
| Capital in excess of par value | | 647.7 | 628.2 |
| Retained earnings | | 469.7 | 429.1 |
| Accumulated other comprehensive loss | | (973.2) | (953.3) |
| Brink's shareholders | | 194.2 | 153.7 |
| Noncontrolling interests | | 15.5 | 12.9 |
| Total equity | | 209.7 | 166.6 |
| Total liabilities and equity | $ | 3,732.4 | 3,236.0 |

*See accompanying notes to condensed consolidated financial statements.*

**THE BRINK'S COMPANY**
**and subsidiaries**

**Condensed Consolidated Statements of Operations**
(Unaudited)

| *(In millions, except for per share amounts)* | Three Months Ended June 30, 2019 | Three Months Ended June 30, 2018 | Six Months Ended June 30, 2019 | Six Months Ended June 30, 2018 |
|---|---|---|---|---|
| **Revenues** | **$ 914.0** | **849.7** | **$ 1,819.0** | **1,728.8** |
| **Costs and expenses:** | | | | |
| Cost of revenues | 708.5 | 666.8 | 1,411.2 | 1,360.4 |
| Selling, general and administrative expenses | 154.6 | 119.9 | 296.3 | 243.0 |
| Total costs and expenses | 863.1 | 786.7 | 1,707.5 | 1,603.4 |
| Other operating income (expense) | 1.7 | (1.3) | (0.5) | 1.1 |
| **Operating profit** | **52.6** | **61.7** | **111.0** | **126.5** |
| Interest expense | (22.7) | (15.8) | (45.7) | (30.8) |
| Loss on deconsolidation of Venezuela operations | — | (126.7) | — | (126.7) |
| Interest and other nonoperating income (expense) | (3.1) | (8.1) | (14.3) | (21.2) |
| Income (loss) from continuing operations before tax | 26.8 | (88.9) | 51.0 | (52.2) |
| Provision for income taxes | 12.7 | 18.6 | 22.4 | 30.0 |
| **Income (loss) from continuing operations** | **14.1** | **(107.5)** | **28.6** | **(82.2)** |
| Income (loss) from discontinued operations, net of tax | (0.1) | (0.1) | (0.1) | 0.1 |
| **Net income (loss)** | **14.0** | **(107.6)** | **28.5** | **(82.1)** |
| Less net income attributable to noncontrolling interests | 1.5 | 0.3 | 2.3 | 3.5 |
| **Net income (loss) attributable to Brink's** | **12.5** | **(107.9)** | **26.2** | **(85.6)** |
| **Amounts attributable to Brink's** | | | | |
| Continuing operations | 12.6 | (107.8) | 26.3 | (85.7) |
| Discontinued operations | (0.1) | (0.1) | (0.1) | 0.1 |
| **Net income (loss) attributable to Brink's** | **$ 12.5** | **(107.9)** | **$ 26.2** | **(85.6)** |
| **Income (loss) per share attributable to Brink's common shareholders[(a)]:** | | | | |
| Basic: | | | | |
| Continuing operations | $ 0.25 | (2.11) | $ 0.53 | (1.68) |
| Discontinued operations | — | — | — | — |
| Net income (loss) | $ 0.25 | (2.11) | $ 0.52 | (1.68) |
| Diluted: | | | | |
| Continuing operations | $ 0.25 | (2.11) | $ 0.52 | (1.68) |
| Discontinued operations | — | — | — | — |
| Net income (loss) | $ 0.25 | (2.11) | $ 0.51 | (1.68) |
| **Weighted-average shares** | | | | |
| Basic | 50.2 | 51.2 | 50.1 | 51.0 |
| Diluted | 50.9 | 51.2 | 50.9 | 51.0 |
| **Cash dividends paid per common share** | **$ 0.15** | **0.15** | **$ 0.30** | **0.30** |

(a) Amounts may not add due to rounding.

*See accompanying notes to condensed consolidated financial statements.*

**THE BRINK'S COMPANY**
**and subsidiaries**

**Condensed Consolidated Statements of Comprehensive Income (Loss)**
(Unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| *(In millions)* | 2019 | 2018 | 2019 | 2018 |
| Net income (loss) | $ 14.0 | (107.6) | $ 28.5 | (82.1) |
| Benefit plan adjustments: | | | | |
| Benefit plan actuarial gains | 9.0 | 22.9 | 20.3 | 37.7 |
| Benefit plan prior service credits (costs) | (1.2) | 1.1 | (2.5) | 0.3 |
| Deferred profit sharing | 0.1 | — | 0.1 | — |
| Total benefit plan adjustments | 7.9 | 24.0 | 17.9 | 38.0 |
| Foreign currency translation adjustments | 9.1 | (31.8) | 9.7 | (30.8) |
| Gains (losses) on cash flow hedges | (10.6) | 0.2 | (18.5) | 0.6 |
| Other comprehensive income (loss) before tax | 6.4 | (7.6) | 9.1 | 7.8 |
| Provision (benefit) for income taxes | (0.7) | 3.8 | (0.2) | 7.0 |
| Other comprehensive income (loss) | 7.1 | (11.4) | 9.3 | 0.8 |
| Comprehensive income (loss) | 21.1 | (119.0) | 37.8 | (81.3) |
| Less comprehensive income (loss) attributable to noncontrolling interests | 1.6 | (0.7) | 2.7 | 3.6 |
| Comprehensive income (loss) attributable to Brink's | $ 19.5 | (118.3) | $ 35.1 | (84.9) |

*See accompanying notes to condensed consolidated financial statements.*

**THE BRINK'S COMPANY**
**and subsidiaries**

**Condensed Consolidated Statements of Equity**
(Unaudited)

| | Six Months ended June 30, 2019 | | | | | | |
|---|---|---|---|---|---|---|---|
| *(In millions)* | Shares | Common Stock | Capital in Excess of Par Value | Retained Earnings | AOCI* | Noncontrolling Interests | Total |
| **Balance as of December 31, 2018** | 49.7 | $ 49.7 | 628.2 | 429.1 | (953.3) | 12.9 | 166.6 |
| Cumulative effect of change in accounting principle[(a)] | — | — | — | 28.8 | (28.8) | — | — |
| Net income | — | — | — | 13.7 | — | 0.8 | 14.5 |
| Other comprehensive income | — | — | — | — | 1.9 | 0.3 | 2.2 |
| Shares repurchased | — | — | (0.5) | 0.5 | — | — | — |
| Dividends to: | | | | | | | |
| Brink's common shareholders ($0.15 per share) | — | — | — | (7.4) | — | — | (7.4) |
| Share-based compensation: | | | | | | | |
| Stock awards and options: | | | | | | | |
| Compensation expense | — | — | 9.4 | — | — | — | 9.4 |
| Other share-based benefit transactions | 0.2 | 0.2 | (6.2) | — | — | — | (6.0) |
| **Balance as of March 31, 2019** | 49.9 | $ 49.9 | 630.9 | 464.7 | (980.2) | 14.0 | 179.3 |
| Net income | — | — | — | 12.5 | — | 1.5 | 14.0 |
| Other comprehensive income | — | — | — | — | 7.0 | 0.1 | 7.1 |
| Dividends to: | | | | | | | |
| Brink's common shareholders ($0.15 per share) | — | — | — | (7.5) | — | — | (7.5) |
| Noncontrolling interests | — | — | — | — | — | (0.2) | (0.2) |
| Share-based compensation: | | | | | | | |
| Stock awards and options: | | | | | | | |
| Compensation expense | — | — | 16.7 | — | — | — | 16.7 |
| Other share-based benefit transactions | 0.1 | 0.1 | 0.1 | — | — | — | 0.2 |
| Capital contributions from noncontrolling interest | — | — | — | — | — | 0.1 | 0.1 |
| **Balance as of June 30, 2019** | 50.0 | $ 50.0 | 647.7 | 469.7 | (973.2) | 15.5 | 209.7 |

(a) Effective January 1, 2019, we adopted the provisions of ASU 2018-02, *Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*. We recognized a cumulative effect adjustment to January 1, 2019 retained earnings as a result of adopting this standard. See Note 1 for further details.

** Accumulated other comprehensive income (loss)*

*See accompanying notes to condensed consolidated financial statements.*

| (In millions) | Shares | Common Stock | | Capital in Excess of Par Value | Retained Earnings | AOCI* | Noncontrolling Interests | Total |
|---|---|---|---|---|---|---|---|---|
| | Six Months ended June 30, 2018 | | | | | | | |
| **Balance as of December 31, 2017** | 50.5 | $ | 50.5 | 628.6 | 564.9 | (926.6) | 20.8 | 338.2 |
| Cumulative effect of change in accounting principle[a] | — | | — | — | 3.3 | (1.1) | — | 2.2 |
| Net income | — | | — | — | 22.3 | — | 3.2 | 25.5 |
| Other comprehensive income | — | | — | — | — | 11.1 | 1.1 | 12.2 |
| Dividends to: | | | | | | | | |
| Brink's common shareholders ($0.15 per share) | — | | — | — | (7.6) | — | — | (7.6) |
| Noncontrolling interests | — | | — | — | — | — | (0.7) | (0.7) |
| Share-based compensation: | | | | | | | | |
| Stock awards and options: | | | | | | | | |
| Compensation expense | — | | — | 6.8 | — | — | — | 6.8 |
| Other share-based benefit transactions | 0.4 | | 0.4 | (10.5) | — | — | — | (10.1) |
| **Balance as of March 31, 2018** | 50.9 | $ | 50.9 | 624.9 | 582.9 | (916.6) | 24.4 | 366.5 |
| Net income (loss) | — | | — | — | (107.9) | — | 0.3 | (107.6) |
| Other comprehensive loss | — | | — | — | — | (10.4) | (1.0) | (11.4) |
| Dividends to: | | | | | | | | |
| Brink's common shareholders ($0.15 per share) | — | | — | — | (7.6) | — | — | (7.6) |
| Noncontrolling interests | — | | — | — | — | — | (1.2) | (1.2) |
| Share-based compensation: | | | | | | | | |
| Stock awards and options: | | | | | | | | |
| Compensation expense | — | | — | 5.7 | — | — | — | 5.7 |
| Consideration from exercise of stock options | — | | — | 0.8 | — | — | — | 0.8 |
| Other share-based benefit transactions | 0.1 | | 0.1 | 0.2 | — | — | — | 0.3 |
| Dispositions of noncontrolling interests | — | | — | — | — | — | (0.4) | (0.4) |
| **Balance as of June 30, 2018** | 51.0 | $ | 51.0 | 631.6 | 467.4 | (927.0) | 22.1 | 245.1 |

(a) Effective January 1, 2018, we adopted the provisions of ASU 2014-09, *Revenue From Contracts with Customers*, ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*, and ASU 2016-16, *Intra-Entity Transfers of Assets Other Than Inventory.* We recognized a cumulative effect adjustment to January 1, 2018 retained earnings as a result of adopting each of these standards. See Note 1 for further details of the impact of each standard.

** Accumulated other comprehensive income (loss)*

*See accompanying notes to condensed consolidated financial statements.*

**THE BRINK'S COMPANY**
**and subsidiaries**
**Condensed Consolidated Statements of Cash Flows**
(Unaudited)

| *(In millions)* | Six Months Ended June 30, 2019 | 2018 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Net income (loss) | $ 28.5 | (82.1) |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| (Income) loss from discontinued operations, net of tax | 0.1 | (0.1) |
| Depreciation and amortization | 96.6 | 77.9 |
| Share-based compensation expense | 26.1 | 12.5 |
| Deferred income taxes | (1.0) | (9.5) |
| Gains on sale of property, equipment and marketable securities | (1.1) | (2.0) |
| Gain on business dispositions | — | (10.3) |
| Loss on deconsolidation of Venezuela operations | — | 126.7 |
| Impairment losses | 1.6 | 2.7 |
| Retirement benefit funding less than expense: | | |
| Pension | 1.9 | 5.1 |
| Other than pension | 7.1 | 8.5 |
| Remeasurement losses (gains) due to Argentina and Venezuela currency devaluations | 3.4 | (2.2) |
| Other operating | (4.7) | 4.8 |
| Changes in operating assets and liabilities, net of effects of acquisitions: | | |
| Accounts receivable and income taxes receivable | (56.3) | (66.7) |
| Accounts payable, income taxes payable and accrued liabilities | (29.8) | 42.0 |
| Restricted cash held for customers | (29.5) | 4.4 |
| Customer obligations | 7.0 | 5.7 |
| Prepaid and other current assets | (16.3) | (15.8) |
| Other | (9.7) | 7.5 |
| Net cash provided by operating activities | 23.9 | 109.1 |
| **Cash flows from investing activities:** | | |
| Capital expenditures | (73.1) | (73.3) |
| Acquisitions, net of cash acquired | (167.0) | — |
| Dispositions, net of cash disposed | — | 9.6 |
| Marketable securities: | | |
| Purchases | (2.2) | (50.1) |
| Sales | 0.8 | 5.5 |
| Cash proceeds from sale of property and equipment | 1.9 | 1.8 |
| Other | (3.1) | (0.9) |
| Net cash used by investing activities | (242.7) | (107.4) |
| **Cash flows from financing activities:** | | |
| Borrowings (repayments) of debt: | | |
| Short-term borrowings | 0.1 | 10.5 |
| Cash supply chain customer debt | — | (11.7) |
| Long-term revolving credit facilities: | | |
| Borrowings | 525.9 | — |
| Repayments | (656.5) | — |
| Other long-term debt: | | |
| Borrowings | 334.9 | 1.8 |
| Repayments | (25.4) | (27.7) |
| Payment of acquisition-related obligation | (1.5) | — |
| Debt financing costs | (4.0) | — |
| Dividends to: | | |
| Shareholders of Brink's | (14.9) | (15.2) |
| Noncontrolling interests in subsidiaries | (0.2) | (1.9) |
| Proceeds from exercise of stock options | — | 0.8 |
| Tax withholdings associated with share-based compensation | (7.2) | (11.3) |
| Other | (1.7) | 0.2 |
| Net cash provided (used) by financing activities | 149.5 | (54.5) |

| | | | |
|---|---|---|---|
| Effect of exchange rate changes on cash | | 0.5 | (24.0) |
| Cash, cash equivalents and restricted cash: | | | |
| Decrease | | (68.8) | (76.8) |
| Balance at beginning of period | | 479.5 | 726.9 |
| Balance at end of period | $ | 410.7 | 650.1 |

*See accompanying notes to condensed consolidated financial statements.*

## Note 1 - Basis of presentation

The Brink’s Company (along with its subsidiaries, “Brink’s” or “we”) has three operating segments:

- North America
- South America
- Rest of World

Our unaudited interim condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial reporting and applicable quarterly reporting regulations of the Securities and Exchange Commission (the “SEC”). Accordingly, the unaudited condensed consolidated financial statements do not include all of the information and notes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for interim periods are not necessarily indicative of the results that may be expected for the full year. These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes in our Annual Report on Form 10-K for the year ended December 31, 2018.

We have made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these condensed consolidated financial statements. Actual results could differ materially from these estimates. The most significant estimates are related to goodwill and other long-lived assets, pension and other retirement benefit obligations, legal contingencies and deferred tax assets.

***Consolidation***
The condensed consolidated financial statements include our controlled subsidiaries. Control is determined based on ownership rights or, when applicable, based on whether we are considered to be the primary beneficiary of a variable interest entity. See "Venezuela" section below for further information. For controlled subsidiaries that are not wholly-owned, the noncontrolling interests are included in net income and in total equity.

Investments in businesses that we do not control, but for which we have the ability to exercise significant influence over operating and financial policies, are accounted for under the equity method and our proportionate share of income or loss is recorded in other operating income (expense). Investments in businesses for which we do not have the ability to exercise significant influence over operating and financial policies are accounted for at fair value, if readily determinable, with changes in fair value recognized in net income. For equity investments that do not have a readily determinable fair value, we measure these investments at cost minus impairment, if any, plus or minus changes from observable price changes. All intercompany accounts and transactions have been eliminated in consolidation.

***Foreign Currency Translation***
Our condensed consolidated financial statements are reported in U.S. dollars. Our foreign subsidiaries maintain their records primarily in the currency of the country in which they operate. The method of translating local currency financial information into U.S. dollars depends on whether the economy in which our foreign subsidiary operates has been designated as highly inflationary or not. Economies with a three-year cumulative inflation rate of more than 100% are considered highly inflationary.

Assets and liabilities of foreign subsidiaries in non-highly inflationary economies are translated into U.S. dollars using rates of exchange at the balance sheet date. Translation adjustments are recorded in other comprehensive income (loss). Revenues and expenses are translated at rates of exchange in effect during the year. Transaction gains and losses are recorded in net income.

Foreign subsidiaries that operate in highly inflationary countries use the U.S. dollar as their functional currency. Local currency monetary assets and liabilities are remeasured into U.S. dollars using rates of exchange as of each balance sheet date, with remeasurement adjustments and other transaction gains and losses recognized in earnings. Other than nonmonetary equity securities, nonmonetary assets and liabilities do not fluctuate with changes in local currency exchange rates to the dollar. For nonmonetary equity securities traded in highly inflationary economies, the fair market value of the equity securities are remeasured at the current exchange rates to determine gain or loss to be recorded in net income. Revenues and expenses are translated at rates of exchange in effect during the year.

***Argentina***
We operate in Argentina through wholly owned subsidiaries and a smaller controlled subsidiary (together "Brink's Argentina"). Revenues from Brink's Argentina represented approximately 6% of our consolidated revenues for the first six months of 2019 and 8% of our consolidated revenues for the first six months of 2018. The operating environment in Argentina continues to present business challenges, including ongoing devaluation of the Argentine peso and significant inflation. In the first six months of 2019 and 2018, the Argentine peso declined approximately 12% (from 37.6 to 42.6 pesos to the U.S. dollar) and approximately 36% (from 18.6 to 28.9 pesos to the U.S. dollar),

respectively. For the year ended December 31, 2018, the Argentine peso declined approximately 50% (from 18.6 to 37.6 pesos to the U.S. dollar).

Beginning July 1, 2018, we designated Argentina's economy as highly inflationary for accounting purposes. As a result, we consolidated Brink's Argentina using our accounting policy for subsidiaries operating in highly inflationary economies beginning with the third quarter of 2018. Argentine peso-denominated monetary assets and liabilities are remeasured at each balance sheet date using the currency exchange rate then in effect, with currency remeasurement gains and losses recognized in earnings. In the second half of 2018, we recognized a $6.2 million pretax remeasurement loss. In the first six months of 2019, we recognized a $3.4 million pretax remeasurement loss. At June 30, 2019, Argentina's economy remains highly inflationary for accounting purposes.

At June 30, 2019, we had net monetary assets denominated in Argentine pesos of $28.7 million (including cash of $18.6 million). At June 30, 2019, we had net nonmonetary assets of $149.5 million (including $99.8 million of goodwill). At June 30, 2019, we had no equity securities denominated in Argentine pesos.

***Venezuela***
*Deconsolidation*. Our Venezuelan operations offer transportation and route-based logistics management services for cash and valuables throughout Venezuela. Political and economic conditions in Venezuela, the impact of local laws on our business as well as the currency exchange control regulations and continued reductions in access to U.S. dollars through official currency exchange mechanisms, resulted in an other-than-temporary lack of exchangeability between the Venezuelan bolivar and the U.S. dollar. These conditions restricted the ability of our Venezuelan operations to pay dividends and royalties. It also restricted the ability for our Venezuela business to settle other operating liabilities which significantly increased the risk that this business will no longer be self-sustaining.

The currency exchange regulations, combined with other government regulations, such as price controls and strict labor laws, significantly limited our ability to make and execute operational decisions at our Venezuelan subsidiaries. With the May 2018 re-election of the President in Venezuela for an additional six-year term, we expect these conditions to continue for the foreseeable future.

As a result of the conditions described above, we concluded that, effective June 30, 2018, we did not meet the accounting criteria for control over our Venezuelan operations and, as a result, we began reporting the results of our investment in our Venezuelan subsidiaries using the cost method of accounting. This change resulted in a pretax charge of $127 million in the second quarter of 2018. The pretax charge included $106 million of foreign currency translation losses and benefit plan adjustments previously included in accumulated other comprehensive loss. It also included the derecognition of the carrying amounts of our Venezuelan operations’ assets and liabilities, including $32 million of assets and $11 million of liabilities, that were no longer reported in our condensed consolidated balance sheet as of June 30, 2018. We determined the fair value of our investment in, and receivables from, our Venezuelan subsidiaries to be insignificant based on our expectations of dividend payments and settlements of such receivables in future periods. For reporting periods beginning after June 30, 2018, we have not included the operating results of our Venezuela operations. In 2019 and 2018, we provided immaterial amounts of financial support to our Venezuela operations. We may incur losses resulting from our Venezuelan business to the extent that we provide U.S. dollars or make future investments in our Venezuelan subsidiaries, including any additional investments made directly in our Venezuelan subsidiaries or additional costs incurred by us to address compliance with recent sanctions and other regulatory requirements imposed by the U.S. government that restrict our ability to conduct business in Venezuela.

We continue to monitor the situation in Venezuela, including the imposition of sanctions by the U.S. government targeting Venezuela.

*Highly Inflationary Accounting*. The economy in Venezuela has had significant inflation in the last several years. Prior to deconsolidation as of June 30, 2018, we reported our Venezuelan results using our accounting policy for subsidiaries operating in highly inflationary economies. Results from our Venezuelan operations prior to the June 30, 2018 deconsolidation are included in items not allocated to segments and are excluded from the operating segments.

*Remeasurement rates during 2018*. Prior to deconsolidation as of June 30, 2018, in the first six months of 2018, the rate declined approximately 97%. In the first six months of 2018, we recognized a $2.2 million pretax remeasurement gain. The after-tax effect of this gain attributable to noncontrolling interest was $2.0 million.

***New Accounting Standards***
In May 2014, the FASB issued ASU 2014-09, *Revenue From Contracts with Customers.* Under this standard, an entity recognizes an amount of revenue to which it expects to be entitled when the transfer of goods or services to customers occurs. The standard requires expanded disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. We adopted this standard effective January 1, 2018 using the modified retrospective method and recognized a cumulative-effect adjustment increasing retained earnings by $1.5 million.

The FASB issued ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*, in January 2016. This new guidance changes the accounting related to the classification and measurement of certain equity investments. Equity investments with readily determinable fair values must be measured at fair value. All changes in fair value will be recognized in net income as opposed to other comprehensive income. We adopted ASU 2016-01 effective January 1, 2018 and recognized a cumulative-effect adjustment increasing retained earnings by $1.1 million.

In October 2016, the FASB issued ASU 2016-16, *Intra-Entity Transfers of Assets Other Than Inventory*, which changes the timing of when certain intercompany transactions are recognized within the provision for income taxes. We adopted ASU 2016-16 effective January 1, 2018 using the modified retrospective method and we recognized a cumulative-effect adjustment increasing retained earnings by $0.7 million.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which requires the recognition of right-of-use assets and lease liabilities by lessees for certain leases classified as operating leases and also requires expanded disclosures regarding leasing activities. The accounting for capital leases remains substantially unchanged. We have adopted the standard effective January 1, 2019 and have elected to adopt the new standard at the adoption date through a cumulative-effect adjustment to the opening balance of retained earnings. Under this approach, we will continue to report comparative periods under ASC 840.

We have elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allows us to carry forward the historical lease classification. We also made an accounting policy election to exclude leases with an initial term of 12 months or less from the condensed consolidated balance sheet. We will recognize those lease payments in the condensed consolidated statements of operations on a straight-line basis over the lease term. As part of this adoption, we have implemented internal controls and key system functionality to enable the preparation of financial information.

The adoption of the standard resulted in recording right-of-use assets of $310.1 million and lease liabilities of $320.3 million as of January 1, 2019. The right-of-use assets are lower than the lease liabilities as existing deferred rent and lease incentive liabilities were recorded against the right-of-use assets at adoption in accordance with the standard. The standard did not affect our condensed consolidated statements of operations or our condensed consolidated statements of cash flows. The standard had no impact on our debt-covenant compliance under our current agreements.

In January 2017, the FASB issued ASU 2017-04, *Intangibles-Goodwill and Other: Simplifying the Test for Goodwill Impairment*, which eliminates the requirement that an entity perform a hypothetical purchase price allocation to measure goodwill impairment. Instead, impairment will be measured using the difference between the carrying amount and the fair value of the reporting unit. We early adopted this ASU effective January 1, 2019. The early adoption did not have any impact on our condensed consolidated financial statements.

In August 2017, the FASB issued ASU 2017-12, *Derivatives and Hedging: Targeted Improvements to Accounting for Hedging Activities*, which amends and simplifies the application of hedge accounting guidance to better portray the economic results of risk management activities in the financial statements. The guidance expands the ability to hedge nonfinancial and financial risk components, reduces complexity in fair value hedges of interest rate risk, eliminates the requirement to separately measure and report hedge ineffectiveness, and eases certain hedge effectiveness assessment requirements. We adopted the standard effective January 1, 2019 with no significant impact on our condensed consolidated financial statements.

In February 2018, the FASB issued ASU 2018-02, *Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*, which allows a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act of 2017 (“Tax Reform Act”). We adopted ASU 2018-02 effective January 1, 2019 and elected to recognize a cumulative-effect adjustment increasing retained earnings by $28.8 million related to the change in the U.S. federal corporate tax rate.

In August 2018, the FASB issued ASU 2018-13, *Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*, which changes the fair value measurement disclosure requirements. The guidance is effective January 1, 2020 with early adoption permitted. We are currently evaluating the potential impact of the standard on financial reporting and the timing of adoption.

## Note 2 - Revenue from Contracts with Customers

***Performance Obligations***
We provide various services to meet the needs of our customers and we group these service offerings into three broad categories: Core Services, High-Value Services and Other Security Services.

*Core Services*
Cash-in-transit ("CIT") and ATM services are core services we provide to customers throughout the world. We charge customers per service performed or based on the value of goods transported. CIT services generally involve the secure transportation of cash, securities and other valuables between businesses, financial institutions and central banks. ATM services are generally composed of management services, including cash replenishment and forecasting, remote monitoring, transaction processing, installation and maintenance.

*High-Value Services*
Our high-value services leverage our brand, global infrastructure and core services and include cash management services, global services and payment services. We offer a variety of cash management services such as currency and coin counting and sorting, deposit preparation and reconciliation, and safe device installation and servicing (including our CompuSafe® service). Our global services business provides secure ground, sea and air transportation and storage of highly-valued commodities including diamonds, jewelry, precious metals and other valuables. We also provide payment services which include bill payment and processing services on behalf of utility companies and other billers plus general purpose reloadable prepaid cards and payroll cards.

*Other Security Services*
Our other security services feature the protection of airports, offices, warehouses, stores, and public venues in Europe and Brazil.

For performance obligations related to the services described above, we generally satisfy our obligations as each action to provide the service to the customer occurs. Because the customers simultaneously receive and consume the benefits from our services, these performance obligations are deemed to be satisfied over time. We use an output method, units of service provided, to recognize revenue because that is the best method to represent the transfer of our services to the customer at the agreed upon rate for each action.

Although not as significant as our service offerings, we also sell goods to customers from time to time, such as safe devices. In those transactions, we satisfy our performance obligation at a point in time. We recognize revenue when the goods are delivered to the customer as that is the point in time that best represents when control has transferred to the customer.

Our contracts with customers describe the services we can provide along with the fees for each action to provide the service. We typically send invoices to customers for all of the services we have provided within a monthly period and payments are generally due within 30 to 60 days of the invoice date.

Although our customer contracts specify the fees for each action to provide service, the majority of the services stated in our contracts do not have a defined quantity over the contract term. Accordingly, the transaction price is considered variable as there is an unknown volume of services that will be rendered over the course of the contract. We recognize revenue for these services in the period in which they are provided to the customer based on the contractual rate at which we have the right to invoice the customer for each action.

Some of our contracts with customers contain clauses that define the level of service that the customer will receive. The service level agreements (“SLA”) within those contracts contain specific calculations to determine whether the appropriate level of service has been met within a specific period, which is typically a month. We estimate SLA penalties and recognize the amounts as a reduction to revenue.

Taxes collected from customers and remitted to governmental authorities are not included in revenues in the condensed consolidated statements of operations.

***Revenue Disaggregated by Reportable Segment and Type of Service***

| *(In millions)* | | Core Services | High-Value Services | Other Security Services | Total |
|---|---|---|---|---|---|
| Three months ended June 30, 2019 | | | | | |
| Reportable Segments: | | | | | |
| North America | $ | 279.8 | 162.7 | — | 442.5 |
| South America | | 118.8 | 104.0 | 2.4 | 225.2 |
| Rest of World | | 88.1 | 124.4 | 34.1 | 246.6 |
| Total reportable segments | | 486.7 | 391.1 | 36.5 | 914.3 |
| Not Allocated to Segments: | | | | | |
| Acquisitions and dispositions | | — | (0.3) | — | (0.3) |
| Total | $ | 486.7 | 390.8 | 36.5 | 914.0 |
| | | | | | |
| Three months ended June 30, 2018 | | | | | |
| Reportable Segments: | | | | | |
| North America | $ | 189.8 | 134.2 | — | 324.0 |
| South America | | 113.9 | 116.2 | 3.2 | 233.3 |
| Rest of World | | 88.3 | 128.9 | 49.6 | 266.8 |
| Total reportable segments | | 392.0 | 379.3 | 52.8 | 824.1 |
| Not Allocated to Segments: | | | | | |
| Venezuela | | 7.7 | 17.9 | — | 25.6 |
| Total | $ | 399.7 | 397.2 | 52.8 | 849.7 |
| | | | | | |
| Six months ended June 30, 2019 | | | | | |
| Reportable Segments: | | | | | |
| North America | $ | 557.0 | 320.0 | — | 877.0 |
| South America | | 238.0 | 212.1 | 5.4 | 455.5 |
| Rest of World | | 176.1 | 243.7 | 67.0 | 486.8 |
| Total reportable segments | | 971.1 | 775.8 | 72.4 | 1,819.3 |
| Not Allocated to Segments: | | | | | |
| Acquisitions and dispositions | | — | (0.3) | — | (0.3) |
| Total | $ | 971.1 | 775.5 | 72.4 | 1,819.0 |
| | | | | | |
| Six months ended June 30, 2018 | | | | | |
| Reportable Segments: | | | | | |
| North America | $ | 379.8 | 264.3 | — | 644.1 |
| South America | | 239.3 | 242.7 | 6.1 | 488.1 |
| Rest of World | | 181.9 | 259.3 | 104.0 | 545.2 |
| Total reportable segments | | 801.0 | 766.3 | 110.1 | 1,677.4 |
| Not Allocated to Segments: | | | | | |
| Venezuela | | 18.4 | 33.0 | — | 51.4 |
| Total | $ | 819.4 | 799.3 | 110.1 | 1,728.8 |

The majority of our revenues from contracts with customers are earned by providing services and these performance obligations are satisfied over time. Smaller amounts of revenues are earned from selling goods, such as safes, to customers where the performance obligations are satisfied at a point in time.

Certain of our high-value services involve the leasing of assets, such as safes, to our customers along with the regular servicing of those safe devices. Revenues related to the leasing of these assets are recognized in accordance with applicable lease guidance (ASC 842 beginning in 2019 and ASC 840 prior to 2019), but are included in the above table as the amounts are a small percentage of overall revenues.

***Contract Balances***

*Contract Asset*

Although payment terms and conditions can vary, for the majority of our customer contracts, we invoice for all of the services provided to the customer within a monthly period. For certain customer contracts, the timing of our performance may precede our right to invoice the customer for the total transaction price. For example, Brink's affiliates in certain countries, primarily in South America, negotiate annual price adjustments with certain customers and, once the price increases are finalized, the pricing changes are made retroactive to services provided in earlier periods. These retroactive pricing adjustments are estimated and recognized as revenue with a corresponding contract asset in the same period in which the related services are performed. As the estimate of the ultimate transaction price changes, we recognize a cumulative catch-up adjustment for the change in estimate.

*Contract Liability*

For other customer contracts, we may obtain the right to payment or receive customer payments prior to performing the related services under the contract. When the right to customer payments or receipt of payments precedes our performance, we recognize a contract liability.

The opening and closing balances of receivables, contract assets and contract liabilities related to contracts with customers are as follows:

| *(In millions)* | | Receivables | Contract Asset | Contract Liability |
|---|---|---|---|---|
| Opening (January 1, 2019) | $ | 599.5 | 1.8 | 2.5 |
| Closing (June 30, 2019) | | 678.3 | 0.9 | 8.5 |
| Increase (decrease) | $ | 78.8 | (0.9) | 6.0 |

The amount of revenue recognized in the six months ended June 30, 2019 that was included in the January 1, 2019 contract liability balance was $2.5 million. This revenue consists of services provided to customers who had prepaid for those services prior to the current year. The majority of the increase in the contract liability balance resulted from the acquisition of Balance Innovations, LLC in the second quarter of 2019 (see Note 6).

We also recognized revenue of $0.4 million in the six months ended June 30, 2019 from performance obligations satisfied in the prior year. This amount is a result of changes in the transaction price of our contracts with customers.

***Contract Costs***

Sales commissions directly related to obtaining new contracts with customers qualify for capitalization. These capitalized costs are amortized to expense ratably over the term of the contracts. At June 30, 2019, the net capitalized costs to obtain contracts was $1.9 million, which is included in other assets on the condensed consolidated balance sheet. Amortization expense was not significant and there were no impairment losses recognized related to these contract costs in the first six months of 2019.

***Practical Expedients***

For the majority of our contracts with customers, we invoice a fixed amount for each unit of service we have provided. These contracts provide us with the right to invoice for an amount or rate that corresponds to the value we have delivered to our customers. The volume of services that will be provided to customers over the term is not known at inception of these contracts. Therefore, while the rate per unit of service is known, the transaction price itself is variable. For this reason, we recognize revenue from these contracts equal to the amount for which we have the contractual right to invoice the customers. Because we are not required to estimate variable consideration related to the transaction price in order to recognize revenue, we are also not required to estimate the variable consideration to provide certain disclosures. As a result, we have elected to use the optional exemption related to the disclosure of transaction prices, amounts allocated to remaining performance obligations and the future periods in which revenue will be recognized, sometimes referred to as backlog.

We have also elected to use the practical expedient for financing components related to our contract liabilities. We do not recognize interest expense on contracts for which the period between our receipt of customer payments and our service to the customer is one year or less.

## Note 3 - Segment information

We identify our operating segments based on how our chief operating decision maker (“CODM”) allocates resources, assesses performance and makes decisions. Our CODM is our President and Chief Executive Officer. Our CODM evaluates performance and allocates resources to each operating segment based on a profit or loss measure which, at the reportable segment level, excludes the following:

- Corporate expenses - former non-segment and regional management costs, currency transaction gains and losses, adjustments to reconcile segment accounting policies to U.S. GAAP, and costs related to global initiatives are excluded from segment results.
- Other items not allocated to segments - certain significant items such as reorganization and restructuring actions that are evaluated on an individual basis by management and are not considered part of the ongoing activities of the business are excluded from segment results. Prior to deconsolidation (see Note 1), results from Venezuela operations were also excluded from our segment results due to the Venezuelan government's restrictions that have prevented us from repatriating funds. We also exclude certain costs, gains and losses related to acquisitions and dispositions of assets and of businesses. Beginning in the third quarter of 2018, we began to consolidate Brink's Argentina using our accounting policy for subsidiaries operating in highly inflationary economies. We have excluded from our segment results the impact of highly inflationary accounting in Argentina, including currency remeasurement losses. Incremental costs (primarily third party expenses) incurred related to the reconstruction of the accounts receivable subledger in the U.S. global services operations, mitigation of material weaknesses and the implementation and adoption of ASU 2016-02, the new lease accounting standard effective for us January 1, 2019, are also excluded from segment results.

The following table summarizes our revenues and segment profit for each of our reportable segments and reconciles these amounts to consolidated revenues and operating profit:

| | Revenues | | Operating Profit | |
|---|---|---|---|---|
| | Three Months Ended June 30, | | Three Months Ended June 30, | |
| *(In millions)* | 2019 | 2018 | 2019 | 2018 |
| Reportable Segments: | | | | |
| North America | $ 442.5 | 324.0 | $ 46.4 | 26.1 |
| South America | 225.2 | 233.3 | 45.0 | 46.1 |
| Rest of World | 246.6 | 266.8 | 26.2 | 26.2 |
| Total reportable segments | 914.3 | 824.1 | 117.6 | 98.4 |
| | | | | |
| Reconciling Items: | | | | |
| Corporate expenses: | | | | |
| General, administrative and other expenses | — | — | (32.5) | (20.9) |
| Foreign currency transaction gains (losses) | — | — | (0.3) | (1.7) |
| Reconciliation of segment policies to GAAP | — | — | 4.0 | 0.4 |
| Other items not allocated to segments: | | | | |
| Venezuela operations | — | 25.6 | — | (1.2) |
| Reorganization and Restructuring | — | — | (10.6) | (4.5) |
| Acquisitions and dispositions | (0.3) | — | (22.6) | (7.4) |
| Argentina highly inflationary impact | — | — | (0.1) | — |
| Reporting compliance[(a)] | — | — | (2.9) | (1.4) |
| Total | $ 914.0 | 849.7 | $ 52.6 | 61.7 |

(a) Costs (primarily third party expenses) related to reconstruction of an accounts receivable subledger, accounting standard implementation and material weakness mitigation. Additional information provided at page 44.

| | Revenues | | Operating Profit | |
|---|---|---|---|---|
| | Six Months Ended June 30, | | Six Months Ended June 30, | |
| *(In millions)* | 2019 | 2018 | 2019 | 2018 |
| Reportable Segments: | | | | |
| North America | $ 877.0 | 644.1 | $ 90.4 | 46.7 |
| South America | 455.5 | 488.1 | 88.0 | 101.7 |
| Rest of World | 486.8 | 545.2 | 50.0 | 51.8 |
| Total reportable segments | 1,819.3 | 1,677.4 | 228.4 | 200.2 |
| | | | | |
| Reconciling Items: | | | | |
| Corporate expenses: | | | | |
| General, administrative and other expenses | — | — | (59.6) | (52.0) |
| Foreign currency transaction gains (losses) | — | — | 0.6 | (2.2) |
| Reconciliation of segment policies to GAAP | — | — | 4.2 | 1.7 |
| Other items not allocated to segments: | | | | |
| Venezuela operations | — | 51.4 | — | 2.3 |
| Reorganization and Restructuring | — | — | (14.1) | (8.2) |
| Acquisitions and dispositions | (0.3) | — | (39.8) | (13.9) |
| Argentina highly inflationary impact | — | — | (4.4) | — |
| Reporting compliance[(a)] | — | — | (4.3) | (1.4) |
| Total | $ 1,819.0 | 1,728.8 | $ 111.0 | 126.5 |

(a) Costs (primarily third party expenses) related to reconstruction of an accounts receivable subledger, accounting standard implementation and material weakness mitigation. Additional information provided at page 44.

## Note 4 - Retirement benefits

***Pension plans***

We have various defined-benefit pension plans covering eligible current and former employees. Benefits under most plans are based on salary and years of service.

The components of net periodic pension cost for our pension plans were as follows:

| | U.S. Plans | | Non-U.S. Plans | | Total | |
|---|---|---|---|---|---|---|
| *(In millions)* | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| *Three months ended June 30,* | | | | | | |
| Service cost | $ — | — | 2.4 | 2.6 | 2.4 | 2.6 |
| Interest cost on projected benefit obligation | 8.6 | 8.0 | 2.6 | 3.3 | 11.2 | 11.3 |
| Return on assets – expected | (12.7) | (13.4) | (2.6) | (2.8) | (15.3) | (16.2) |
| Amortization of losses | 4.8 | 6.9 | 1.0 | 1.0 | 5.8 | 7.9 |
| Amortization of prior service cost | — | — | 0.1 | — | 0.1 | — |
| Settlement loss | — | — | 0.6 | 0.5 | 0.6 | 0.5 |
| Net periodic pension cost | $ 0.7 | 1.5 | 4.1 | 4.6 | 4.8 | 6.1 |
| *Six months ended June 30,* | | | | | | |
| Service cost | $ — | — | 4.9 | 5.6 | 4.9 | 5.6 |
| Interest cost on projected benefit obligation | 17.1 | 16.0 | 5.2 | 7.3 | 22.3 | 23.3 |
| Return on assets – expected | (25.4) | (26.8) | (5.2) | (5.7) | (30.6) | (32.5) |
| Amortization of losses | 9.8 | 14.0 | 2.0 | 2.3 | 11.8 | 16.3 |
| Amortization of prior service cost | — | — | 0.1 | 0.2 | 0.1 | 0.2 |
| Settlement loss | — | — | 0.9 | 1.0 | 0.9 | 1.0 |
| Net periodic pension cost | $ 1.5 | 3.2 | 7.9 | 10.7 | 9.4 | 13.9 |

We did not make cash contributions to the primary U.S. pension plan in 2018 or the first six months of 2019. Based on assumptions described in our Annual Report on Form 10-K for the year ended December 31, 2018, we do not expect to make any additional contributions to the primary U.S. pension plan until 2022.

***Retirement benefits other than pensions***

We provide retirement healthcare benefits for eligible current and former U.S., Canadian, and Brazilian employees. Retirement benefits related to our former U.S. coal operations include medical benefits provided by the Pittston Coal Group Companies Employee Benefit Plan for United Mine Workers of America Represented Employees (the "UMWA plans") as well as costs related to Black Lung obligations.

The components of net periodic postretirement cost related to retirement benefits other than pensions were as follows:

| | UMWA Plans | | Black Lung and Other Plans | | Total | |
|---|---|---|---|---|---|---|
| *(In millions)* | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| *Three months ended June 30,* | | | | | | |
| Service cost | $ — | — | 0.1 | 0.1 | 0.1 | 0.1 |
| Interest cost on accumulated postretirement benefit obligations | 4.1 | 4.2 | 0.9 | 0.9 | 5.0 | 5.1 |
| Return on assets – expected | (3.3) | (4.2) | — | — | (3.3) | (4.2) |
| Amortization of losses | 3.8 | 5.0 | 1.2 | 1.5 | 5.0 | 6.5 |
| Amortization of prior service (credit) cost | (1.2) | (1.2) | (0.1) | 0.3 | (1.3) | (0.9) |
| Net periodic postretirement cost | $ 3.4 | 3.8 | 2.1 | 2.8 | 5.5 | 6.6 |
| *Six months ended June 30,* | | | | | | |
| Service cost | $ — | — | 0.1 | 0.1 | 0.1 | 0.1 |
| Interest cost on accumulated postretirement benefit obligations | 9.1 | 8.7 | 1.8 | 1.6 | 10.9 | 10.3 |
| Return on assets – expected | (6.6) | (8.4) | — | — | (6.6) | (8.4) |
| Amortization of losses | 8.9 | 10.5 | 2.3 | 2.7 | 11.2 | 13.2 |
| Amortization of prior service (credit) cost | (2.3) | (2.3) | (0.2) | 0.6 | (2.5) | (1.7) |
| Net periodic postretirement cost | $ 9.1 | 8.5 | 4.0 | 5.0 | 13.1 | 13.5 |

The components of net periodic pension cost and net periodic postretirement cost other than the service cost component are included in interest and other nonoperating income (expense) in the condensed consolidated statements of operations.

## Note 5 - Income taxes

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| *Continuing operations* | | | | |
| Provision for income taxes (in millions) | $ 12.7 | 18.6 | $ 22.4 | 30.0 |
| Effective tax rate | 47.4% | (20.9)% | 43.9% | (57.5%) |

*Tax Reform*
On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (“Tax Reform Act”) was enacted into law. The Tax Reform Act includes a reduction in the federal tax rate for corporations from 35% to 21% as of January 1, 2018, a one-time transition tax on the cumulative undistributed earnings of foreign subsidiaries as of December 31, 2017, a repeal of the corporate alternative minimum tax, and more extensive limitations on deductibility of performance-based compensation for named executive officers. Other provisions effective as of January 1, 2018, which could materially impact the Company in the near-term, include the creation of a new U.S. minimum tax on foreign earnings called the Global Intangible Low-Taxed Income (“GILTI”) and limitations on the deductibility of interest expense.

Due to the timing of the enactment and the complexity involved in applying the provisions of the Tax Reform Act, the Company recorded provisional amounts as of December 31, 2017, in accordance with Staff Accounting Bulletin No. 118 ("SAB 118"). We recorded a provisional one-time non-cash charge of $92 million in the fourth quarter of 2017 to remeasure the deferred tax assets for the new rate and for other legislative changes. In the fourth quarter of 2018, we recorded a benefit of $2.3 million to reverse a component of the provisional one-time non-cash charge as a result of guidance issued by the U.S. authorities.

We filed our 2017 U.S. federal income tax return in October 2018, which did not reflect a U.S. federal current tax liability for the transition tax due to our high-tax foreign income, but we recorded an incremental $1.3 million of foreign tax credits, offset with a full valuation allowance in the fourth quarter of 2018 which was in addition to the provisional $31.1 million foreign tax credit offset with a full valuation allowance related to the transition tax recorded in the fourth quarter of 2017. We did not record a current state tax liability related to the transition tax in accordance with the interpretation of existing state laws and the provisional estimates in the fourth quarter of 2017, but we recorded the state impact of the transition tax of $0.2 million when we filed our tax returns in the fourth quarter of 2018.

We adopted an accounting policy related to the provision of deferred taxes related to GILTI and determined that we would not record deferred taxes with respect to GILTI, but would instead treat GILTI as a current period cost. We did not change our assertion on the determination of which subsidiaries that we consider to be permanently invested and for which we do not expect to repatriate to the U.S. as a result of the Tax Reform Act. The accounting for the Tax Reform Act was completed in the fourth quarter of 2018 in accordance with SAB 118.

*2019 Compared to U.S. Statutory Rate*
The effective income tax rate on continuing operations in the first six months of 2019 was greater than the 21% U.S. statutory tax rate primarily due to the geographical mix of earnings, the seasonality of book losses for which no tax benefit can be recorded, nondeductible expenses in Mexico, taxes on cross border payments and the characterization of a French business tax as an income tax, partially offset by the tax benefits related to the distribution of share-based payments.

*2018 Compared to U.S. Statutory Rate*
The effective income tax rate on continuing operations in the first six months of 2018 was negative primarily due to the impact of Venezuela’s earnings and the related tax expense, including the largely nondeductible loss on the deconsolidation of the Venezuela operations. The items that cause the rate to be higher than the U.S. statutory rate include the geographical mix of earnings, the seasonality of book losses for which no tax benefit can be recorded, nondeductible expenses in Mexico, taxes on cross border payments and the characterization of a French business tax as an income tax, partially offset by the significant tax benefits related to the distribution of share-based payments and a French income tax credit.

## Note 6 - Acquisitions and Dispositions

### Acquisitions

We account for business combinations using the acquisition method. Under the acquisition method of accounting, assets acquired and liabilities assumed from these operations are recorded at fair value on the date of acquisition. The condensed consolidated statements of operations include the results of operations for each acquired entity from the date of acquisition.

***Rodoban Transportes Aereos e Terrestres Ltda., Rodoban Servicos e Sistemas de Seguranca Ltda., and Rodoban Seguranca e Transporte de Valores Ltda ("Rodoban")***
On January 4, 2019, we acquired 100% of the capital stock of Rodoban in Brazil for $134 million. Rodoban provides cash-in-transit, money processing and ATM services and generates annual revenues of approximately $80 million. The Rodoban business is expected to expand our operations in southeastern Brazil and will be integrated with our existing Brink's Brazil operations. Rodoban has approximately 2,900 employees, 13 branches and about 190 armored vehicles across its operations.

We have provisionally estimated fair values for the assets purchased, liabilities assumed and purchase consideration as of the date of the acquisition in the following table. The determination of estimated fair value required management to make significant estimates and assumptions. The amounts reported are considered provisional as we are completing the valuations that are required to allocate the purchase price. As a result, the allocation of the provisional purchase price may change in the future.

| *(In millions)* | Estimated Fair Value at Acquisition Date |
|---|---|
| **Fair value of purchase consideration** | |
| Cash paid through June 30, 2019 | $ 133.1 |
| Fair value of future payments to sellers | 2.6 |
| Indemnification asset | (1.9) |
| Fair value of purchase consideration | $ 133.8 |
| **Fair value of net assets acquired**[(a)] | |
| Cash | $ 1.4 |
| Accounts receivable | 8.2 |
| Other current assets | 0.5 |
| Property and equipment, net | 3.7 |
| Intangible assets[(b)] | 47.9 |
| Goodwill[(c)] | 84.1 |
| Other noncurrent assets | 5.3 |
| Current liabilities | (9.6) |
| Noncurrent liabilities | (7.7) |
| Fair value of net assets acquired | $ 133.8 |

(a) Final allocation will be determined once the valuation is complete.
(b) Intangible assets are composed of customer relationships ($46 million fair value and 11 year amortization period), trade name ($1 million fair value and 1 year amortization period), and non-compete agreement ($1 million fair value and 5 year amortization period).
(c) Consists of intangible assets that do not qualify for separate recognition, combined with synergies expected from integrating Rodoban's operations with our existing Brink's Brazil operations. All of the goodwill has been assigned to the Brazil reporting unit and is expected to be deductible for tax purposes.

***Dunbar Armored, Inc. ("Dunbar")***
*U.S. Cash Management business*

On August 13, 2018, we acquired 100% of the shares of Dunbar for approximately $547 million, subject to a working capital adjustment. The Dunbar business is being integrated with our existing Brink's U.S. operations. This acquisition has expanded our customer base in the U.S. as a result of Dunbar's focus on small-to-medium sized retailers and financial institutions. At the time of the acquisition, Dunbar had approximately 5,400 employees, 78 branches and over 1,600 armored vehicles across its operations.

We have provisionally estimated fair values for the assets purchased, liabilities assumed and purchase consideration as of the date of the acquisition in the following table. The determination of estimated fair value required management to make significant estimates and assumptions. The amounts reported are considered provisional as we are completing the valuations that are required to allocate the purchase price. As a result, the allocation of the provisional purchase price may change in the future. In the fourth quarter of 2018, our fair value estimates of acquisition date intangible assets decreased approximately $20 million, acquisition date goodwill increased approximately $24 million, acquisition date other noncurrent assets increased approximately $11 million and acquisition date noncurrent liabilities increased approximately $13 million as compared to our initial estimates in the period of acquisition. There have been no other significant changes to our fair value estimates of the net assets acquired for the Dunbar acquisition.

| *(In millions)* | | Estimated Fair Value at Acquisition Date |
|---|---|---|
| **Fair value of purchase consideration** | | |
| Cash paid through June 30, 2019 | $ | 546.8 |
| Fair value of purchase consideration | $ | 546.8 |
| | | |
| **Fair value of net assets acquired[(a)]** | | |
| Cash | $ | 25.8 |
| Accounts receivable | | 31.9 |
| Other current assets | | 11.7 |
| Property and equipment, net | | 57.4 |
| Intangible assets[(b)] | | 162.0 |
| Goodwill[(c)] | | 306.7 |
| Other noncurrent assets | | 21.1 |
| Current liabilities | | (29.7) |
| Noncurrent liabilities | | (40.1) |
| Fair value of net assets acquired | $ | 546.8 |

(a) Final allocation will be determined once the valuation is complete.
(b) Intangible assets are composed of customer relationships ($148 million fair value and 15 year amortization period) and rights related to the trade name ($14 million fair value and 8 year amortization period).
(c) Consists of intangible assets that do not qualify for separate recognition, combined with synergies expected from integrating Dunbar's operations with our existing Brink's U.S. operations. All of the goodwill has been assigned to the U.S. reporting unit and is expected to be deductible for tax purposes.

**Other acquisitions in 2019**

On June 12, 2019, we acquired 100% of the capital stock of Balance Innovations, LLC and its wholly owned subsidiary, Balance Innovations Services, Inc. (together "BI"). BI develops and licenses software that provides real-time data to optimize operations for general retail and convenience store industries throughout the United States and Canada. This acquisition enhances our ability to deliver technology-enabled, end-to-end retail cash management services.

On June 14, 2019, we acquired 100% of the capital stock of Comercio Eletronico Facil Ltda. ("COMEF"), a Brazil-based company. COMEF offers bank correspondent services and bill payment processing and is expected to supplement our existing Brazilian payment services businesses.

The aggregate purchase price of these two business acquisitions (BI and COMEF) was approximately $40 million. Together, these two acquired operations have approximately 400 employees.

For these two business acquisitions (BI and COMEF), we have provisionally estimated fair values for the assets purchased and liabilities assumed as of the date of the acquisitions. These estimated amounts are aggregated in the following table. The determination of estimated fair value required management to make significant estimates and assumptions. The amounts reported are considered provisional as we are completing the valuations that are required to allocate the purchase price. As a result, the allocation of the purchase price may change in the future.

| *(In millions)* | | Estimated Fair Value at Acquisition Date |
|---|---|---|
| | | |
| **Fair value of purchase consideration** | | |
| Cash paid through June 30, 2019 | $ | 39.0 |
| Contingent consideration | | 1.6 |
| Indemnification asset | | (0.3) |
| Fair value of purchase consideration | $ | 40.3 |
| | | |
| **Fair value of net assets acquired[(a)]** | | |
| | | |
| Cash | $ | 5.3 |
| Accounts receivable | | 1.9 |
| Property and equipment, net | | 2.3 |
| Intangible assets[(a)] | | 15.9 |
| Goodwill[(b)] | | 23.3 |
| Other current and noncurrent assets | | 1.0 |
| Current liabilities | | (7.6) |
| Noncurrent liabilities | | (1.8) |
| Fair value of net assets acquired | $ | 40.3 |

(a) Intangible assets are composed of developed technology, customer relationships and trade names. Final allocation will be determined after all valuations have been completed.

(b) Consists of intangible assets that do not qualify for separate recognition, combined with synergies expected from integrating these acquired operations into our existing operations. The goodwill from these acquisitions have been assigned to the following reporting units: BI (U.S.) and COMEF (Brazil). We expect goodwill related to BI to be deductible for tax purposes. We do not expect goodwill related to COMEF to be deductible for tax purposes.

**Pro forma disclosures**

The pro forma consolidated results of Brink’s presented below reflect a hypothetical ownership as of January 1, 2017 for the businesses we acquired during 2018 and a hypothetical ownership as of January 1, 2018 for the business we acquired in the first six months of 2019.

| *(In millions)* | | Revenue | Net income (loss) attributable to Brink's |
|---|---|---|---|
| Actual results included in Brink's consolidated results for businesses acquired in 2019 from the date of acquisition | | | |
| Three months ended June 30, 2019 | | | |
| Rodoban | $ | 17.3 | 0.4 |
| Other acquisitions[(a)] | | 1.1 | 0.1 |
| Total | $ | 18.4 | 0.5 |
| Six months ended June 30, 2019 | | | |
| Rodoban | $ | 36.0 | 1.1 |
| Other acquisitions[(a)] | | 1.1 | 0.1 |
| Total | $ | 37.1 | 1.2 |

(a) Includes the actual results of BI and COMEF.

| *(In millions)* | | Revenue | Net income (loss) attributable to Brink's |
|---|---|---|---|
| Pro forma results of Brink's for the three months ended June 30, | | | |
| 2019 | | | |
| Brink's as reported | $ | 914.0 | 12.5 |
| Other acquisitions[(a)] | | 4.2 | 0.2 |
| Total | $ | 918.2 | 12.7 |
| 2018 | | | |
| Brink's as reported | $ | 849.7 | (107.9) |
| Rodoban[(a)] | | 18.4 | (1.2) |
| Dunbar[(a)] | | 98.0 | 2.1 |
| Other acquisitions[(a)] | | 5.5 | (0.2) |
| Total | $ | 971.6 | (107.2) |
| Pro forma results of Brink's for the six months ended June 30 | | | |
| 2019 | | | |
| Brink's as reported | $ | 1,819.0 | 26.2 |
| Rodoban[(a)] | | 0.6 | — |
| Other acquisitions[(a)] | | 12.2 | 0.5 |
| Total | $ | 1,831.8 | 26.7 |
| 2018 | | | |
| Brink's as reported | $ | 1,728.8 | (85.6) |
| Rodoban[(a)] | | 39.0 | (1.9) |
| Dunbar[(a)] | | 197.7 | 4.3 |
| Other acquisitions[(a)] | | 11.2 | (0.4) |
| Total | $ | 1,976.7 | (83.6) |

(a) Represents amounts prior to acquisition by Brink's.

**Acquisition costs**

We have incurred $1.9 million in transaction costs related to business acquisitions in the first six months of 2019 ($2.1 million in the first six months of 2018). These costs are classified in the condensed consolidated statements of operations as selling, general and administrative expenses.

## Note 7 - Accumulated other comprehensive income (loss)

Other comprehensive income (loss), including the amounts reclassified from accumulated other comprehensive loss into earnings, was as follows:

| | Amounts Arising During the Current Period | | Amounts Reclassified to Net Income (Loss) | | |
|---|---|---|---|---|---|
| *(In millions)* | Pretax | Income Tax | Pretax | Income Tax | Total Other Comprehensive Income (Loss) |
| *Three months ended June 30, 2019* | | | | | |
| Amounts attributable to Brink's: | | | | | |
| Benefit plan adjustments | $ (2.3) | 0.4 | 10.2 | (2.4) | 5.9 |
| Foreign currency translation adjustments | 9.0 | — | — | — | 9.0 |
| Gains (losses) on cash flow hedges | (14.2) | 3.9 | 3.6 | (1.2) | (7.9) |
| | (7.5) | 4.3 | 13.8 | (3.6) | 7.0 |
| Amounts attributable to noncontrolling interests: | | | | | |
| Foreign currency translation adjustments | 0.1 | — | — | — | 0.1 |
| | 0.1 | — | — | — | 0.1 |
| Total | | | | | |
| Benefit plan adjustments[(a)] | (2.3) | 0.4 | 10.2 | (2.4) | 5.9 |
| Foreign currency translation adjustments | 9.1 | — | — | — | 9.1 |
| Gains (losses) on cash flow hedges[(b)] | (14.2) | 3.9 | 3.6 | (1.2) | (7.9) |
| | $ (7.4) | 4.3 | 13.8 | (3.6) | 7.1 |
| *Three months ended June 30, 2018* | | | | | |
| Amounts attributable to Brink's: | | | | | |
| Benefit plan adjustments | $ 1.3 | 0.2 | 22.9 | (3.4) | 21.0 |
| Foreign currency translation adjustments | (138.2) | — | 107.2 | (0.5) | (31.5) |
| Gains (losses) on cash flow hedges | 0.2 | (0.1) | — | — | 0.1 |
| | (136.7) | 0.1 | 130.1 | (3.9) | (10.4) |
| Amounts attributable to noncontrolling interests: | | | | | |
| Benefit plan adjustments | — | — | (0.2) | — | (0.2) |
| Foreign currency translation adjustments | (0.8) | — | — | — | (0.8) |
| | (0.8) | — | (0.2) | — | (1.0) |
| Total | | | | | |
| Benefit plan adjustments[(a)] | 1.3 | 0.2 | 22.7 | (3.4) | 20.8 |
| Foreign currency translation adjustments | (139.0) | — | 107.2 | (0.5) | (32.3) |
| Gains (losses) on cash flow hedges[(b)] | 0.2 | (0.1) | — | — | 0.1 |
| | $ (137.5) | 0.1 | 129.9 | (3.9) | (11.4) |

| (In millions) | Amounts Arising During the Current Period Pretax | Amounts Arising During the Current Period Income Tax | Amounts Reclassified to Net Income (Loss) Pretax | Amounts Reclassified to Net Income (Loss) Income Tax | Total Other Comprehensive Income (Loss) |
|---|---|---|---|---|---|
| *Six months ended June 30, 2019* | | | | | |
| Amounts attributable to Brink's: | | | | | |
| Benefit plan adjustments | $ (3.6) | 0.6 | 21.5 | (5.1) | 13.4 |
| Foreign currency translation adjustments | 9.3 | — | — | — | 9.3 |
| Gains (losses) on cash flow hedges | (19.5) | 5.0 | 1.0 | (0.3) | (13.8) |
| | (13.8) | 5.6 | 22.5 | (5.4) | 8.9 |
| Amounts attributable to noncontrolling interests: | | | | | |
| Foreign currency translation adjustments | 0.4 | — | — | — | 0.4 |
| | 0.4 | — | — | — | 0.4 |
| Total | | | | | |
| Benefit plan adjustments[(a)] | (3.6) | 0.6 | 21.5 | (5.1) | 13.4 |
| Foreign currency translation adjustments | 9.7 | — | — | — | 9.7 |
| Gains (losses) on cash flow hedges[(b)] | (19.5) | 5.0 | 1.0 | (0.3) | (13.8) |
| | $ (13.4) | 5.6 | 22.5 | (5.4) | 9.3 |
| *Six months ended June 30, 2018* | | | | | |
| Amounts attributable to Brink's: | | | | | |
| Benefit plan adjustments | $ 0.3 | 0.5 | 37.7 | (6.8) | 31.7 |
| Foreign currency translation adjustments | (138.1) | — | 107.2 | (0.5) | (31.4) |
| Gains (losses) on cash flow hedges | 0.6 | (0.2) | — | — | 0.4 |
| | (137.2) | 0.3 | 144.9 | (7.3) | 0.7 |
| Amounts attributable to noncontrolling interests: | | | | | |
| Foreign currency translation adjustments | 0.1 | — | — | — | 0.1 |
| | 0.1 | — | — | — | 0.1 |
| Total | | | | | |
| Benefit plan adjustments[(a)] | 0.3 | 0.5 | 37.7 | (6.8) | 31.7 |
| Foreign currency translation adjustments | (138.0) | — | 107.2 | (0.5) | (31.3) |
| Gains (losses) on cash flow hedges[(b)] | 0.6 | (0.2) | — | — | 0.4 |
| | $ (137.1) | 0.3 | 144.9 | (7.3) | 0.8 |

(a) The amortization of actuarial losses and prior service cost is part of total net periodic retirement benefit cost when reclassified to net income. Net periodic retirement benefit cost also includes service cost, interest cost, expected return on assets, and settlement losses. Total service cost is allocated between cost of revenues and selling, general and administrative expenses on a plan-by-plan basis and the remaining net periodic retirement benefit cost items are allocated to interest and other nonoperating income (expense):

| (In millions) | Three Months Ended June 30, 2019 | Three Months Ended June 30, 2018 | Six Months Ended June 30, 2019 | Six Months Ended June 30, 2018 |
|---|---|---|---|---|
| Total net periodic retirement benefit cost included in: | | | | |
| Cost of revenues | $ 1.9 | 2.1 | $ 3.8 | 4.5 |
| Selling, general and administrative expenses | 0.6 | 0.6 | 1.2 | 1.2 |
| Interest and other nonoperating income (expense) | 7.8 | 10.0 | 17.5 | 21.7 |

(b) Pretax gains and losses on cash flow hedges are classified in the condensed consolidated statements of operations as:
- other operating income (expense) ($2.4 million of losses in the three months ended June 30, 2019 and no gains or losses in the three months ended June 30, 2018; as well as $1.4 million gain in the six months ended June 30, 2019 and no gains or losses in the six months ended June 30, 2018)
- interest expense ($1.3 million of expense in the three months ended June 30, 2019; as well as $2.5 million of expense in the six months ended June 30, 2019).

The changes in accumulated other comprehensive loss attributable to Brink's are as follows:

| *(In millions)* | | Benefit Plan Adjustments | Foreign Currency Translation Adjustments | Gains (Losses) on Cash Flow Hedges | Total |
|---|---|---|---|---|---|
| Balance as of December 31, 2018 | $ | (572.1) | (382.0) | 0.8 | (953.3) |
| Other comprehensive income (loss) before reclassifications | | (3.0) | 9.3 | (14.5) | (8.2) |
| Amounts reclassified from accumulated other comprehensive loss to net income | | 16.4 | — | 0.7 | 17.1 |
| Other comprehensive income (loss) attributable to Brink's | | 13.4 | 9.3 | (13.8) | 8.9 |
| Cumulative effect of change in accounting principle[a] | | (28.8) | — | — | (28.8) |
| Balance as of June 30, 2019 | $ | (587.5) | (372.7) | (13.0) | (973.2) |

(a) We adopted ASU 2018-02 (see Note 1) effective January 1, 2019 and recognized a cumulative-effect adjustment to retained earnings.

## Note 8 - Fair value of financial instruments

***Investments in Mutual Funds***

We have investments in mutual funds that are carried at fair value in the financial statements. For these investments, fair value was based on quoted market prices, which we have categorized as a Level 1 valuation.

***Fixed-Rate Debt***

The fair value and carrying value of our fixed-rate debt are as follows:

| *(In millions)* | | June 30, 2019 | December 31, 2018 |
|---|---|---|---|
| *Senior unsecured notes* | | | |
| Carrying value | $ | 600.0 | 600.0 |
| Fair value | | 596.1 | 519.9 |

The fair value estimate of our senior unsecured notes was based on the present value of future cash flows, discounted at rates for similar instruments at the measurement date, which we have categorized as a Level 3 valuation.

***Forward and Swap Contracts***

We have outstanding foreign currency forward and swap contracts to hedge transactional risks associated with foreign currencies. At June 30, 2019, the notional value of our shorter term outstanding foreign currency forward and swap contracts was $146 million, with average maturities of approximately one month. These shorter term foreign currency forward and swap contracts primarily offset exposures in the euro and the British pound and are not designated as hedges for accounting purposes and, accordingly, changes in their fair value are recorded immediately in earnings. At June 30, 2019, the fair value of these shorter term foreign currency contracts was not significant.

In the first quarter of 2019, we entered into a longer term cross currency swap contract to hedge exposure in Brazilian real, which is designated as a cash flow hedge for accounting purposes. At June 30, 2019, the notional value of this longer term contract was $142 million with a weighted-average maturity of 2.5 years. We recognized net losses of $1.3 million on this contract, of which gains of $1.4 million were included in other operating income (expense) to offset transaction losses of $1.4 million and expenses of $2.7 million were included in interest expense in the first six months of 2019. At June 30, 2019, the fair value of the longer term cross currency swap contract was a $1.3 million net liability, of which a $3.2 million asset is included in other assets and a $4.5 million liability is included in accrued liabilities on the condensed consolidated balance sheet.

In the first quarter of 2016, we entered into two interest rate swaps that hedge cash flow risk associated with changes in variable interest rates and that are designated as cash flow hedges for accounting purposes. At June 30, 2019, the notional value of these contracts was $40 million with a remaining weighted-average maturity of 0.9 years. At June 30, 2019, the fair value of these interest rates swaps was a net asset of $0.3 million, of which $0.2 million was included in prepaid expenses and other and $0.1 million was included in other assets on the condensed consolidated balance sheet. The effect of these swaps are included in interest expense and were not significant in the first six months of 2019.

In the first quarter of 2019, we entered into ten interest rate swaps that hedge cash flow risk associated with changes in variable interest rates and that are designated as cash flow hedges for accounting purposes. At June 30, 2019, the notional value of these contracts was $400 million with a remaining weighted-average maturity of 2.3 years. At June 30, 2019, the fair value of these interest rate swaps was a net liability of $15.9 million, of which $2.7 million was included in accrued liabilities and $13.2 million was included in other liabilities on the condensed consolidated balance sheet. The effect of these swaps are included in interest expense and were not significant in the first six months of 2019.

The fair values of these forward and swap contracts are based on the present value of net future cash payments and receipts, which we have categorized as a Level 2 valuation.

***Contingent Consideration***
The estimated fair value of our liabilities for contingent consideration represents the fair value of the potential amounts payable for our acquisition of Maco Transportadora. The remaining contingent amount is expected to be paid in a scheduled second installment in the fourth quarter of 2019, with the final amount paid based partially on the retention of customer revenue versus a target revenue amount. The remaining contingent consideration arrangement requires us to pay potential undiscounted amounts between $0 to $15.1 million based on retaining the revenue levels of existing customers at the acquisition dates. If there is a shortfall in revenues, a multiple of 2.5 is applied to the revenue shortfall and the contingent consideration to be paid to the former owners is reduced.

We used a probability-weighted approach to estimate the fair value of these contingent consideration payments. The fair value of the contingent consideration is the full $15.1 million potentially payable as of June 30, 2019 as we believe it is unlikely that the contingent consideration payments will be reduced for a revenue shortfall.

At June 30, 2019, this $15.1 million was included in accrued liabilities on the condensed consolidated balance sheet. The fair value of this liability was estimated using a discounted cash flow technique with significant inputs that are not observable in the market and thus represents a Level 3 valuation. The significant inputs in the Level 3 valuation not supported by market activity included our probability assessments of expected future cash flows related to our acquisition of this entity during the period from acquisition to the estimated settlement date of the remaining payment.

The contingent consideration payments may differ from the amounts that are ultimately paid, with any changes in the liabilities recorded in interest and other nonoperating expense in our condensed consolidated statements of operations until the liabilities are settled.

***Other Financial Instruments***
Other financial instruments include cash and cash equivalents, accounts receivable, floating rate debt, accounts payable and accrued liabilities. The financial statement carrying amounts of these items approximate the fair value.

There were no transfers in or out of any of the levels of the valuation hierarchy in the first six months of 2019.

## Note 9 - Debt

| *(In millions)* | | June 30, 2019 | December 31, 2018 |
|---|---|---|---|
| Debt: | | | |
| Short-term borrowings | | | |
| Restricted cash borrowings[(a)] | $ | 10.4 | 10.5 |
| Other | | 18.8 | 18.4 |
| Total short-term borrowings | $ | 29.2 | 28.9 |
| | | | |
| Long-term debt | | | |
| Bank credit facilities: | | | |
| Term loan A[(b)] | $ | 786.7 | 466.9 |
| Senior unsecured notes[(c)] | | 592.5 | 592.0 |
| Revolving Credit Facility | | 209.4 | 340.0 |
| Other | | 8.0 | 5.7 |
| Financing leases | | 133.7 | 120.5 |
| Total long-term debt | $ | 1,730.3 | 1,525.1 |
| | | | |
| Total debt | $ | 1,759.5 | 1,554.0 |
| | | | |
| Included in: | | | |
| Current liabilities | $ | 101.8 | 82.4 |
| Noncurrent liabilities | | 1,657.7 | 1,471.6 |
| Total debt | $ | 1,759.5 | 1,554.0 |

(a) These amounts are for short-term borrowings related to cash borrowed under lending arrangements used in the process of managing customer cash supply chains, which is currently classified as restricted cash and not available for general corporate purposes. See Note 12 for more details.
(b) Amounts outstanding are net of unamortized debt costs of $3.3 million as of June 30, 2019 and $1.8 million as of December 31, 2018.
(c) Amounts outstanding are net of unamortized debt costs of $7.5 million as of June 30, 2019 and $8.0 million as of December 31, 2018.

**Long-Term Debt**

***Senior Secured Credit Facility***
In February 2019, we amended our senior secured credit facility (the “Senior Secured Credit Facility”) with Wells Fargo Bank, National Association, as administrative agent. After the amendment, the Senior Secured Credit Facility consisted of a $1 billion revolving credit facility (the "Revolving Credit Facility") and an $800 million term loan facility (the "Term Loan Facility"). Prior to the amendment, the Term Loan Facility had an outstanding balance of approximately $469 million. The proceeds from the amendment were used to repay outstanding principal under the Revolving Credit Facility as well as certain fees related to the closing of the transaction.

Loans under the Revolving Credit Facility mature five years after the amendment date (February 8, 2024). Principal payments are due quarterly for the amended Term Loan Facility equal to 1.25% of the initial loan amount with a final payment due on February 8, 2024. Interest rates for the Senior Secured Credit Facility are based on LIBOR plus a margin or an alternate base rate plus a margin. The Revolving Credit Facility allows us to borrow money or issue letters of credit (or otherwise satisfy credit needs) on a revolving basis over the term of the facility. As of June 30, 2019, $791 million was available under the Revolving Credit Facility. The obligations under the Senior Secured Credit Facility are secured by a first-priority lien on all or substantially all of the assets of the Company and certain of its domestic subsidiaries, including a first-priority lien on equity interests of certain of the Company’s direct and indirect subsidiaries. The Company and certain of its domestic subsidiaries also guarantee the obligations under the Senior Secured Credit Facility.

The margin on both LIBOR and alternate base rate borrowings under the Senior Secured Credit Facility is based on the Company’s consolidated net leverage ratio. The margin on LIBOR borrowings, which can range from 1.25% to 2.00%, was 1.75% at June 30, 2019. The margin on alternate base rate borrowings, which can range from 0.25% to 1.00%, was 0.75% as of June 30, 2019. We also pay an annual commitment fee on the unused portion the Revolving Credit Facility based on the Company’s consolidated net leverage ratio. The commitment fee, which can range from 0.15% to 0.30%, was 0.25% as of June 30, 2019.

***Senior Unsecured Notes***
In October 2017, we issued at par ten-year senior unsecured notes (the "Senior Notes") in the aggregate principal amount of $600 million. The Senior Notes will mature on October 15, 2027 and bear an annual interest rate of 4.625%. The Senior Notes are general unsecured obligations guaranteed by certain of the Company’s existing and future U.S. subsidiaries, which are also guarantors under the Senior Secured Credit Facility.

The Senior Notes have not been and will not be registered under the Securities Act of 1933 (the “Securities Act”) or the securities laws of any other jurisdiction and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. The notes were offered in the United States only to persons reasonably believed to be qualified institutional buyers in reliance on the exception from registration set forth in Rule 144A under the Securities Act and outside the United States to non-U.S. persons pursuant to Regulation S under the Securities Act.

**Letter of Credit Facilities and Bank Guarantee Facilities**
We have three committed letter of credit facilities totaling $80 million, of which approximately $27 million was available at June 30, 2019. At June 30, 2019, we had undrawn letters of credit and guarantees of $53 million issued under these facilities. A $10 million facility expires in April 2022, a $54 million facility expires in December 2019 and a $16 million facility expires in January 2024.

We have a $40 million uncommitted letter of credit facility, of which approximately $18 million was available and $22 million was issued under this facility at June 30, 2019. This $40 million facility expires in January 2020.

The Senior Secured Credit Facility is also available for issuance of letters of credit and bank guarantees.

The Senior Secured Credit Facility, Senior Unsecured Notes, the Letter of Credit Facilities and Bank Guarantee Facilities contain various financial and other covenants. The financial covenants, among other things, limit our ability to provide liens, restrict fundamental changes, limit transactions with affiliates and unrestricted subsidiaries, restrict changes to our fiscal year and to organizational documents, limit asset dispositions, limit the use of proceeds from asset sales, limit sale and leaseback transactions, limit investments, limit the ability to incur debt, restrict certain payments to shareholders, limit negative pledges, limit the ability to change the nature of our business, provide for a maximum consolidated net leverage ratio and provide for minimum coverage of interest costs. If we were not to comply with the terms of our various financing agreements, the repayment terms could be accelerated and the commitments could be withdrawn. An acceleration of the repayment terms under one agreement could trigger the acceleration of the repayment terms under the other financing agreements. We were in compliance with all financial covenants at June 30, 2019.

## Note 10 - Leases

We lease facilities, vehicles, CompuSafe® units, computers and other equipment under long-term operating and financing leases with varying terms. Most of the operating leases contain renewal and/or purchase options at our sole discretion. The renewal periods differ by asset class and by country and are included in our determination of lease term if we determine we are reasonably certain to exercise the option.

We have taken the component election for all material asset categories, except CompuSafe units. This election allows us to account for lease components (e.g., fixed payments or variable payments that depend on a rate that can be determined at commencement, including rent for the right to use the asset) together with nonlease components (e.g., other fixed payments that deliver a good or service including common-area maintenance costs) in the calculation of the right-of-use asset and corresponding liability. Variable costs, such as inflation adjusted payments for facilities, or nonlease components that vary periodically (included as part of the component election), are expensed as incurred.

Our leases do not contain any material residual value guarantees or material restrictive covenants.

The components of lease assets and liabilities were as follows:

| *(In millions)* | Balance sheet classification | June 30, 2019 |
|---|---|---|
| Assets: | | |
| Operating lease assets | Right-of-use assets, net | $ 280.8 |
| Finance lease assets | Property and equipment, net | 145.9 |
| Total leased assets | | $ 426.7 |
| | | |
| Liabilities: | | |
| Current: | | |
| Operating | Accrued liabilities | $ 61.7 |
| Financing | Current maturities of long-term debt | 29.0 |
| Noncurrent: | | |
| Operating | Lease liabilities | 229.9 |
| Financing | Long-term debt | 104.7 |
| Total lease liabilities | | $ 425.3 |

The components of lease expense were as follows:

| *(In millions)* | 2019 |
|---|---|
| Six Months Ended June 30, | |
| | |
| Operating lease cost[(a)] | $ 49.7 |
| Short-term lease cost | 8.9 |
| Financial lease cost: | |
| Amortization of right-of-use assets | 14.0 |
| Interest on lease liabilities | 3.5 |
| Total lease cost | $ 76.1 |

(a) Includes variable lease costs, which are immaterial.

Net rent expense and amortization expense and interest on financing leases included in continuing operations was $72.7 million for the six months ended June 30, 2018.

Other information related to leases was as follows:

| *(In millions, except for lease term and discount rate)* | 2019 |
|---|---|
| Six Months Ended June 30, | |
| | |
| *Supplemental Cash Flows Information* | |
| | |
| Cash paid for amounts included in the measurement of lease liabilities: | |
| Operating cash flows from operating leases | $ 48.6 |
| Operating cash flows from finance leases | 3.5 |
| Financing cash flows from finance leases | 13.7 |
| Right-of-use assets obtained in exchange for lease obligations: | |
| Operating leases | 26.6 |
| Finance leases | 28.6 |
| | |
| *Weighted Average Remaining Lease Term* | |
| | |
| Operating leases | 7.8 years |
| Finance leases | 5.2 years |
| | |
| *Weighted Average Discount Rate* | |
| | |
| Operating leases | 6.7% |
| Finance leases | 5.5% |

As of December 31, 2018, future minimum lease payments under noncancellable operating leases with initial or remaining lease terms in excess of one year were as follows:

| *(In millions)* | Facilities | Vehicles | Other | Total |
|---|---|---|---|---|
| | | | | |
| 2019 | $ 51.7 | 9.7 | 21.6 | 83.0 |
| 2020 | 46.2 | 5.5 | 15.5 | 67.2 |
| 2021 | 39.5 | 2.3 | 9.5 | 51.3 |
| 2022 | 33.8 | 0.6 | 5.3 | 39.7 |
| 2023 | 29.4 | 0.1 | 2.3 | 31.8 |
| Later years | 130.3 | — | — | 130.3 |
| | $ 330.9 | 18.2 | 54.2 | 403.3 |

As of December 31, 2018, minimum repayments of long-term debt under financing leases were as follows:

| *(In millions)* | |
|---|---|
| | |
| 2019 | $ 25.1 |
| 2020 | 23.5 |
| 2021 | 21.7 |
| 2022 | 19.7 |
| 2023 | 16.2 |
| Later years | 14.3 |
| Total | $ 120.5 |

## Note 11 - Share-based compensation plans

We have share-based compensation plans to attract and retain employees and nonemployee directors and to more closely align their interests with those of our shareholders.

We have outstanding share-based awards granted to employees under the 2013 Equity Incentive Plan ("2013 Plan") and the 2017 Equity Incentive Plan (the "2017 Plan). These plans permit grants of restricted stock, restricted stock units, performance stock, performance units, stock appreciation rights, stock options, as well as other share-based awards to eligible employees. The 2013 Plan and the 2017 Plan also permit cash awards to eligible employees. The 2017 Plan became effective May 2017. No further grants of awards will be made under the the 2013 Plan, although awards under this prior plan remain outstanding.

We also have outstanding deferred stock units granted to directors under the 2017 Plan. Share-based awards were previously granted to directors and remain outstanding under the Non-Employee Director's Equity Plan and the Directors' Stock Accumulation Plan, which has expired.

Outstanding awards at June 30, 2019 include performance share units, restricted stock units, deferred stock units, performance-based stock options, time-based stock options and certain awards that will be settled in cash.

***Compensation Expense***
Compensation expense is measured using the fair-value-based method. For employee and director awards considered equity grants, compensation expense is recognized from the award or grant date to the earlier of the retirement-eligible date or the vesting date. For awards considered liability awards, compensation cost is based on the change in the fair value of the instrument for each reporting period and the percentage of the requisite service that has been rendered. Compensation cost associated with liability awards was not significant in the three and six months ended June 30, 2019 or the prior year periods.

Compensation expenses are classified as selling, general and administrative expenses in the condensed consolidated statements of operations. Compensation expenses for the share-based awards were as follows:

| | Compensation Expense Three Months Ended June 30, | | Compensation Expense Six Months Ended June 30, | |
|---|---|---|---|---|
| *(in millions)* | 2019 | 2018 | 2019 | 2018 |
| Performance Share Units | $ 8.8 | 2.7 | $ 14.6 | 6.6 |
| Market Share Units | — | — | — | 0.1 |
| Restricted Stock Units | 1.9 | 1.5 | 3.9 | 3.3 |
| Deferred Stock Units and fees paid in stock | 0.3 | 0.3 | 0.6 | 0.5 |
| Stock Options | 5.7 | 1.2 | 7.0 | 2.0 |
| Share-based payment expense | 16.7 | 5.7 | 26.1 | 12.5 |
| Income tax benefit | (3.8) | (1.3) | (6.0) | (2.9) |
| Share-based payment expense, net of tax | $ 12.9 | 4.4 | $ 20.1 | 9.6 |

***Performance-Based Stock Options***
In 2018, 2017 and 2016, we granted performance-based stock options that have a service condition as well as a market condition. In addition, some of the awards granted in 2016 contain a non-financial performance condition. We measure the fair value of these performance-based options at the grant date using a Monte Carlo simulation model.

The following table summarizes performance-based stock option activity during the first six months of 2019:

| | Shares *(in thousands)* | Weighted-Average Grant-Date Fair Value |
|---|---|---|
| Outstanding balance as of December 31, 2018 | 1,287.0 | $ 10.88 |
| Granted | — | — |
| Forfeited | — | — |
| Exercised | — | — |
| Outstanding balance as of June 30, 2019[(a)] | 1,287.0 | $ 14.00 |

(a) Certain performance-based stock options were modified in the second quarter of 2019. The weighted-average grant date fair value per share at June 30, 2019 reflects the inclusion of the modified fair value per share for the modified awards.

***Time-Based Stock Options***
We granted time-based stock options that contain only a service condition. We measure the fair value of these time-based options at the grant date using a Black-Scholes-Merton option pricing model.

The following table summarizes time-based stock option activity during the first six months of 2019:

| | Shares *(in thousands)* | Weighted-Average Grant-Date Fair Value |
|---|---|---|
| Outstanding balance as of December 31, 2018 | 2.7 | $ 21.09 |
| Granted | 138.7 | 21.58 |
| Forfeited | (14.4) | 21.60 |
| Exercised | — | — |
| Outstanding balance as of June 30, 2019 | 127.0 | $ 21.56 |

***Restricted Stock Units ("RSUs")***
We granted RSUs that contain only a service condition. We measure the fair value of RSUs based on the price of Brink's stock at the grant date, adjusted for a discount for dividends not received or accrued during the vesting period.

The following table summarizes RSU activity during the first six months of 2019:

| | Shares *(in thousands)* | Weighted-Average Grant-Date Fair Value |
|---|---|---|
| Nonvested balance as of December 31, 2018 | 235.8 | $ 52.63 |
| Granted | 91.1 | 78.03 |
| Forfeited | (6.6) | 71.70 |
| Vested | (117.4) | 44.73 |
| Nonvested balance as of June 30, 2019[(a)] | 202.9 | $ 68.29 |

(a) Certain RSUs were modified in the second quarter of 2019. The weighted-average grant date fair value per share at June 30, 2019 reflects the inclusion of the modified fair value per share for the modified awards.

***Performance Share Units ("PSUs")***
We granted Internal Metric PSUs ("IM PSUs") and Total Shareholder Return PSUs ("TSR PSUs").

IM PSUs contain a performance condition as well as a service condition. We measure the fair value of these PSUs based on the price of Brink's stock at the grant date, adjusted for a discount for dividends not received or accrued during the vesting period. For the IM PSUs granted in 2019, the performance period is from January 1, 2019 to December 31, 2021.

TSR PSUs contain a market condition as well as a service condition. We measure the fair value of PSUs containing a market condition at the grant date using a Monte Carlo simulation model. For the TSR PSUs granted in 2019, the performance period is from January 1, 2019 to December 31, 2021.

The following table summarizes all PSU activity during the first six months of 2019:

| | Shares *(in thousands)* | Weighted-Average Grant-Date Fair Value |
|---|---|---|
| Nonvested balance as of December 31, 2018 | 697.3 | $ 47.74 |
| Granted | 202.9 | 81.42 |
| Forfeited | (12.8) | 77.06 |
| Vested[(a)(b)] | (278.8) | 29.40 |
| Nonvested balance as of June 30, 2019[(c)] | 608.6 | $ 68.99 |

(a) The vested PSUs presented are based on the target amount of the award. In accordance with the terms of the underlying award agreements, the actual shares earned and distributed for the performance period ended December 31, 2018 were 225.9 compared to target shares of 187.0. Additionally, in accordance with the terms of the underlying award agreements, the actual shares earned and distributed for the performance period ended June 30, 2017 were 91.8 compared to target shares of 91.8.
(b) Certain PSUs were modified and distributed in the first quarter of 2019 and the resulting impact was not material.
(c) Certain PSUs were modified in the second quarter of 2019. The weighted-average grant date fair value per share at June 30, 2019 reflects the inclusion of the modified fair value per share for the modified awards.

***Deferred Stock Units ("DSUs")***

We granted DSUs to our nonemployee directors in 2019 and in prior years. We measure the fair value of DSUs at the grant date, based on the price of Brink's stock, and, if applicable, adjusted for a discount for dividends not received or accrued during the vesting period.

DSUs granted after 2014 will be paid out in shares of Brink's stock on the first anniversary of the grant date, provided that the director has not elected to defer the distribution of shares until a later date. DSUs granted prior to 2015, in general, will be paid out in shares of stock following separation from service.

The following table summarizes all DSU activity during the first six months of 2019:

| | Shares *(in thousands)* | Weighted-Average Grant-Date Fair Value |
|---|---|---|
| Nonvested balance as of December 31, 2018 | 12.5 | $ 74.43 |
| Granted | 11.1 | 78.70 |
| Vested | (12.5) | 74.43 |
| Nonvested balance as of June 30, 2019 | 11.1 | $ 78.70 |

## Note 12 - Capital Stock

***Common Stock***
At June 30, 2019, we had 100 million shares of common stock authorized and 50.0 million shares issued and outstanding.

***Dividends***
We paid regular quarterly dividends on our common stock during the last two years. On July 12, 2019, the Board declared a regular quarterly dividend of 15 cents per share payable on September 3, 2019. The payment of future dividends is at the discretion of the Board of Directors and is dependent on our future earnings, financial condition, shareholder equity levels, cash flow, business requirements and other factors.

***Preferred Stock***
At June 30, 2019, we had the authority to issue up to 2.0 million shares of preferred stock with a par value of $10 per share.

***Share Repurchase Program***
In May 2017, our board of directors authorized a $200 million share repurchase program, which will expire on December 31, 2019. We are not obligated to repurchase any specific dollar amount or number of shares, and, at June 30, 2019, approximately $106 million remains available under this program. The timing and volume of share repurchases may be executed at the discretion of management on an opportunistic basis, or pursuant to trading plans or other arrangements. Share repurchases under this program may be made in the open market, in privately negotiated transactions, or otherwise.

In December 2018, we entered into an accelerated share repurchase arrangement ("ASR") with a financial institution. In exchange for a $50 million up-front payment at the beginning of the purchase period, the financial institution delivered to us 700,000 shares of our common stock for an average repurchase price of $71.43 per share. The shares received were retired in the period they were delivered to us, and the up-front payment was accounted for as a reduction to shareholders' equity in the condensed consolidated balance sheet. For purposes of calculating earnings per share, we reported the ASR as a repurchase of our common stock in December 2018 and as a forward contract indexed to our common stock. The ASR met all of the applicable criteria for equity classification, and, as a result, was not accounted for as a derivative instrument.

The ASR purchase period subsequently ended in February 2019 and we received and retired an additional 37,387 shares under the ASR, resulting in an overall average repurchase price of $67.81 per share.

Additionally, during the year ended December 31, 2018, we used $43.5 million to repurchase 610,177 shares at an average price of $71.22 per share. These shares were retired upon repurchase. No additional shares were repurchased in the six months ended June 30, 2019.

***Shares Used to Calculate Earnings per Share***

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| *(In millions)* | 2019 | 2018 | 2019 | 2018 |
| Weighted-average shares: | | | | |
| Basic[(a)] | 50.2 | 51.2 | 50.1 | 51.0 |
| Effect of dilutive stock awards and options | 0.7 | — | 0.8 | — |
| Diluted | 50.9 | 51.2 | 50.9 | 51.0 |
| Antidilutive stock awards and options excluded from denominator | 0.1 | 1.6 | 0.1 | 1.7 |

(a) We have deferred compensation plans for directors and certain of our employees. Some amounts owed to participants are denominated in common stock units. Each unit represents one share of common stock. The number of shares used to calculate basic earnings per share includes the weighted-average common stock units credited to employees and directors under the deferred compensation plans. Additionally, nonvested units are also included in the computation of basic weighted-average shares when the requisite service period has been completed. Accordingly, included in basic shares are 0.3 million in the three months and 0.3 million in the six months ended June 30, 2019, and 0.3 million in the three months and 0.3 million in the six months ended June 30, 2018.

## Note 13 - Supplemental cash flow information

| *(In millions)* | | Six Months Ended June 30, 2019 | 2018 |
|---|---|---|---|
| Cash paid for: | | | |
| Interest | $ | 40.9 | 29.3 |
| Income taxes, net | | 31.9 | 48.6 |

***Non-cash Investing and Financing Activities***
We acquired $30.5 million in armored vehicles and other equipment under financing lease arrangements in the first six months of 2019 compared to $27.5 million in armored vehicles and other equipment acquired under financing lease arrangements in the first six months of 2018.

***Restricted Cash (Cash Supply Chain Services)***
In France, we offer services to certain of our customers where we manage some or all of their cash supply chains. Providing this service requires our French subsidiary to take temporary title to the cash received from the management of our customers' cash supply chains until the cash is returned to the customers. As part of this service offering, we have entered into lending arrangements with some of our customers. Cash borrowed under these lending arrangements is used in the process of managing these customers' cash supply chains. The cash for which we have temporary title and the cash borrowed under these customer lending arrangements is restricted and cannot be used for any other purpose other than to service our customers who participate in this service offering.

At June 30, 2019, we held $105.8 million of restricted cash ($10.4 million represented short-term borrowings, $59.9 million represented restricted cash held for customers, and $35.5 million represented accrued liabilities). At December 31, 2018, we held $136.1 million of restricted cash ($10.5 million represented short-term borrowings, $90.3 million represented restricted cash held for customers and $35.3 million represented accrued liabilities).

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the condensed consolidated balance sheets that sum to the total of the same such amounts shown in the condensed consolidated statements of cash flows.

| *(In millions)* | | June 30, 2019 | December 31, 2018 |
|---|---|---|---|
| Cash and cash equivalents | $ | 304.9 | 343.4 |
| Restricted cash | | 105.8 | 136.1 |
| Total, cash, cash equivalents, and restricted cash in the condensed consolidated statements of cash flows | $ | 410.7 | 479.5 |

## Note 14 - Contingent matters

During the fourth quarter of 2018, we became aware of an investigation initiated by the Chilean Fiscalía Nacional Económica (the Chilean antitrust agency) related to potential anti-competitive practices among competitors in the cash logistics industry in Chile. Because no legal proceedings have been initiated against Brink's Chile, we cannot estimate the probability of loss or any range of possible loss at this time. It is possible, however, that Brink's Chile could become the subject of legal or administrative claims or proceedings that could result in a loss in a future period.

In addition, we are involved in various other lawsuits and claims in the ordinary course of business. We are not able to estimate the loss or range of losses for some of these matters. We have recorded accruals for losses that are considered probable and reasonably estimable. Except as otherwise noted, we do not believe that it is reasonably possible the ultimate disposition of any of the lawsuits currently pending against the Company could have a material adverse effect on our liquidity, financial position or results of operations.

## Note 15 - Reorganization and Restructuring

***2016 Reorganization and Restructuring***
In the fourth quarter of 2016, management implemented restructuring actions across our global business operations and our corporate functions. As a result of these actions, we recognized $18.1 million in 2016 costs and an additional $17.3 million in 2017 under this restructuring for additional costs related to severance, asset-related adjustments, a benefit program termination and lease terminations. We recognized additional charges of $6.0 million in the first six months of 2018 under this restructuring for severance costs and asset-related adjustments. The actions under this program were substantially completed in 2018.

***Other Restructurings***
Management periodically implements restructuring actions in targeted sections of our business. As a result of these actions, we recognized charges of $2.2 million in the first six months of 2018 and $14.1 million in the first six months of 2019, primarily severance costs and charges related to the modification of share-based compensation awards. For the current restructuring actions, we expect to incur additional costs between $2 million and $4 million in future periods.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Brink’s Company offers transportation and logistics management services for cash and valuables throughout the world. These services include:

- Cash-in-transit (“CIT”) services – armored vehicle transportation of valuables
- ATM services – replenishing and maintaining customers’ automated teller machines; providing network infrastructure services
- Global services – secure international transportation of valuables
- Cash management services
  - Currency and coin counting and sorting; deposit preparation and reconciliations; other cash management services
  - Safe and safe control device installation and servicing (including our patented CompuSafe® service)
  - Vaulting services
  - Check imaging services
- Payment services – bill payment and processing services on behalf of utility companies and other billers at any of our Brink’s or Brink’s-operated payment locations in Brazil, Colombia, Panama, and Mexico and Brink’s Money™ general purpose reloadable prepaid cards and payroll cards in the U.S.
- Commercial security systems services – design and installation of security systems in designated markets in Europe
- Guarding services – protection of airports, offices, and certain other locations in Europe and Brazil with or without electronic surveillance, access control, fire prevention and highly trained patrolling personnel

We identify our operating segments based on how our chief operating decision maker (“CODM”) allocates resources, assesses performance and makes decisions. Our CODM is our President and Chief Executive Officer. Our CODM evaluates performance and allocates resources to each operating segment based on an operating profit or loss measure, excluding income and expenses not allocated to segments.

We have three operating segments:

- North America
- South America
- Rest of World.

## RESULTS OF OPERATIONS

### Consolidated Review

*GAAP and Non-GAAP Financial Measures*
We provide an analysis of our operations below on both a generally accepted accounting principles ("GAAP") and non-GAAP basis. The purpose of the non-GAAP information is to report our operating profit, income from continuing operations and earnings per share without certain income and expense items that do not reflect the regular earnings of our operations. The non-GAAP financial measures are intended to provide investors with a supplemental comparison of our operating results and trends for the periods presented. Our management believes these measures are also useful to investors as they allow investors to evaluate our performance using the same metrics that our management uses to evaluate past performance and prospects for future performance. We do not consider these items to be reflective of our core operating performance due to the variability of these items from period-to-period in terms of size, nature and significance. The non-GAAP adjustments used to reconcile our GAAP results are described on pages 43–44 and are reconciled to comparable GAAP measures on pages 48–50.

*Definition of Organic Growth*
Organic growth represents the change in revenues or operating profit between the current and prior period, excluding the effect of acquisitions and dispositions and changes in currency exchange rates. See definitions on page 41.

| | Three Months Ended June 30, | | % | Six Months Ended June 30, | | % |
|---|---|---|---|---|---|---|
| *(In millions, except for per share amounts)* | 2019 | 2018 | Change | 2019 | 2018 | Change |
| *GAAP* | | | | | | |
| Revenues | $ 914.0 | 849.7 | 8 | 1,819.0 | 1,728.8 | 5 |
| Cost of revenues | 708.5 | 666.8 | 6 | 1,411.2 | 1,360.4 | 4 |
| Selling, general and administrative expenses | 154.6 | 119.9 | 29 | 296.3 | 243.0 | 22 |
| Operating profit | 52.6 | 61.7 | (15) | 111.0 | 126.5 | (12) |
| Income (loss) from continuing operations[(a)] | 12.6 | (107.8) | fav | 26.3 | (85.7) | fav |
| Diluted EPS from continuing operations[(a)] | $ 0.25 | (2.11) | fav | 0.52 | (1.68) | fav |
| | | | | | | |
| *Non-GAAP*[(b)] | | | | | | |
| Non-GAAP revenues | $ 914.3 | 824.1 | 11 | 1,819.3 | 1,677.4 | 8 |
| Non-GAAP operating profit | 88.8 | 76.2 | 17 | 173.6 | 147.7 | 18 |
| Non-GAAP income from continuing operations[(a)] | 42.8 | 40.4 | 6 | 82.9 | 75.8 | 9 |
| Non-GAAP diluted EPS from continuing operations[(a)] | $ 0.84 | 0.78 | 8 | 1.63 | 1.45 | 12 |

(a) Amounts reported in this table are attributable to the shareholders of Brink's and exclude earnings related to noncontrolling interests.
(b) Non-GAAP results are reconciled to the applicable GAAP results on pages 48–50.

*Deconsolidation of Venezuela*
Due to political and economic conditions in Venezuela, in the second quarter of 2018, we determined that we no longer met the accounting criteria for control over our Venezuelan operations. We expect these conditions to continue for the foreseeable future. Consequently, we began reporting the results of our investment in our Venezuelan subsidiaries using the cost method of accounting. We determined the fair value of our cost method investment in, and receivables from, our Venezuelan subsidiaries to be insignificant based on our expectations of dividend payments and settlements of such receivables in future periods. As a result, we deconsolidated our Venezuela subsidiaries and recognized a pretax loss of $126.7 million in the second quarter of 2018. This loss was excluded from our non-GAAP results.

## GAAP Basis
## Analysis of Consolidated Results: Second Quarter 2019 versus Second Quarter 2018

***Consolidated Revenues*** Revenues increased $64.3 million as the favorable impact of acquisitions ($100.3 million) and organic growth in South America ($37.7 million), North America ($19.7 million) and Rest of World ($6.3 million) were partially offset by the unfavorable impact of currency exchange rates ($74.1 million) and the deconsolidation of Venezuela operations ($25.6 million) in the second quarter of 2018. The unfavorable currency impact was driven by the Argentine peso, Brazilian real and the euro. Revenues increased 4% on an organic basis due mainly to higher average selling prices in Argentina (including the effects of inflation) and organic revenue growth in Mexico due to price increases and volume growth. See above for our definition of "organic."

***Consolidated Costs and Expenses*** Cost of revenues increased 6% to $708.5 million primarily due to the impact of acquisitions, including integration costs, and inflation-based organic increases in labor and other operational costs, partially offset by changes in currency exchange rates and the deconsolidation of Venezuela operations in the second quarter of 2018. Selling, general and administrative costs increased 29% to $154.6 million due primarily to the impact of acquisitions, including integration costs, higher corporate expenses, and inflation-based organic increases in labor and other administrative costs, partially offset by changes in currency exchange rates.

***Consolidated Operating Profit*** We believe our current operating profit margin in our North America segment is lower than our competitors as our vehicle and labor expenses are too high. We are working to increase our operating profit margin by implementing productivity improvements aimed at reducing vehicle and labor expenses and by selling higher valued services. We expect our North America segment operating profit margin will continue to be comparable to our Rest of World segment in the future, but will not achieve the same level as our South America segment, where profit margins are higher for us and our competitors due to market conditions.

Operating profit decreased $9.1 million due mainly to:

- higher costs related to business acquisitions and dispositions ($16.0 million) included in "Other items not allocated to segments", primarily from the impact of intangible asset amortization and acquisition-related charges in the second quarter of 2019,
- unfavorable changes in currency exchange rates ($8.9 million) driven by the Argentine peso, slightly offset by the effect of Venezuela devaluations prior to deconsolidation,
- higher corporate expenses ($8.0 million on an organic basis),
- deconsolidation of Venezuela in the second quarter of 2018 ($7.8 million), and
- higher costs related to reorganization and restructuring ($6.1 million) included in "Other items not allocated to segments",

partially offset by:

- organic increases in South America ($15.0 million), North America ($13.0 million) and Rest of World ($1.0 million), and
- the favorable operating impact of business acquisitions and dispositions ($10.4 million), excluding intangible asset amortization and acquisition-related charges.

***Consolidated Income from Continuing Operations Attributable to Brink's and Related Per Share Amounts*** Income from continuing operations attributable to Brink's shareholders increased $120.4 million to $12.6 million primarily due to the second quarter of 2018 loss on deconsolidation of Venezuela operations ($126.7 million), lower interest and other expense ($5.0 million), and lower income tax expense ($5.9 million), partially offset by the operating profit decrease mentioned above, higher interest expense ($6.9 million), and higher income attributable to noncontrolling interests ($1.2 million). Earnings per share from continuing operations was $0.25, up from negative $2.11 in the second quarter of 2018.

## Analysis of Consolidated Results: First Half 2019 versus First Half 2018

***Consolidated Revenues*** Revenues increased $90.2 million as the favorable impact of acquisitions ($200.3 million) and organic growth in South America ($67.8 million), North America ($38.8 million), and Rest of World ($5.5 million) were partially offset by the unfavorable impact of currency exchange rates ($170.8 million) and the deconsolidation of Venezuela operations ($51.4 million) in the second quarter of 2018. The unfavorable currency impact was driven by the Argentine peso, Brazilian real and the euro. Revenues increased 4% on an organic basis due mainly to higher average selling prices in Argentina (including the effects of inflation) and organic revenue growth in Mexico due to price increases and volume growth. See above for our definition of "organic."

***Consolidated Costs and Expenses*** Cost of revenues increased 4% to $1,411.2 million primarily due to the impact of acquisitions, including integration costs, and inflation-based organic increases in labor and other operational costs, partially offset by changes in currency exchange rates and the deconsolidation of Venezuela operations in the second quarter of 2018. Selling, general and administrative costs increased 22% to $296.3 million due primarily to the impact of acquisitions, including integration costs, corporate expenses, and inflation-based organic increases in labor and other administrative costs, partially offset by changes in currency exchange rates.

***Consolidated Operating Profit*** We believe our current operating profit margin in our North America segment is lower than our competitors as our vehicle and labor expenses are too high. We are working to increase our operating profit margin by implementing productivity improvements aimed at reducing vehicle and labor expenses and by selling higher valued services. We expect our North America segment operating profit margin will continue to be comparable to our Rest of World segment in the future, but will not achieve the same level as our South America segment, where profit margins are higher for us and our competitors due to market conditions.

Operating profit decreased $15.5 million due mainly to:

- unfavorable changes in currency exchange rates ($32.9 million) driven by the Argentine peso and Brazilian real, slightly offset by the effect of Venezuela devaluations prior to deconsolidation,
- higher costs related to business acquisitions and dispositions ($27.7 million) included in "Other items not allocated to segments", primarily from the impact of intangible asset amortization and acquisition-related charges in the first half of 2019,
- deconsolidation of Venezuela in the second quarter of 2018 ($12.5 million),
- higher costs related to reorganization and restructuring ($5.9 million) included in "Other items not allocated to segments", and
- higher corporate expenses ($5.2 million on an organic basis),

partially offset by:

- organic increases in North America ($29.1 million) and South America ($20.2 million), and
- the favorable operating impact of business acquisitions and dispositions ($23.3 million), excluding intangible asset amortization and acquisition-related charges.

***Consolidated Income from Continuing Operations Attributable to Brink's and Related Per Share Amounts*** Income from continuing operations attributable to Brink's shareholders increased $112.0 million to $26.3 million primarily due to the second quarter of 2018 loss on deconsolidation of Venezuela operations ($126.7 million), lower interest and other expense ($6.9 million), lower income tax expense ($7.6 million), and lower income attributable to noncontrolling interests ($1.2 million), partially offset by the operating profit decrease mentioned above and higher interest expense ($14.9 million). Earnings per share from continuing operations was $0.52, up from negative $1.68 in the first half of 2018.

## Non-GAAP Basis

## Analysis of Consolidated Results: Second Quarter 2019 versus Second Quarter 2018

***Non-GAAP Consolidated Revenues*** Non-GAAP revenues increased $90.2 million as the favorable impact of acquisitions ($100.6 million) and organic growth in South America ($37.7 million), North America ($19.7 million) and Rest of World ($6.3 million) were partially offset by the unfavorable impact of currency exchange rates ($74.1 million). The unfavorable currency impact was driven by the Argentine peso, Brazilian real and the euro. Non-GAAP revenues increased 8% on an organic basis due mainly to higher average selling prices in Argentina (including the effects of inflation) and organic revenue growth in Mexico from price increases and volume growth. See above for our definition of "organic."

***Non-GAAP Consolidated Operating Profit*** Non-GAAP operating profit increased $12.6 million due mainly to:

- organic increases in South America ($15.0 million), North America ($13.0 million) and Rest of World ($1.0 million), and
- the favorable operating impact of business acquisitions and dispositions ($10.4 million),

partially offset by:

- unfavorable changes in currency exchange rates ($18.8 million) driven by the Argentine peso, and
- higher corporate expenses ($8.0 million on an organic basis).

***Non-GAAP Consolidated Income from Continuing Operations Attributable to Brink's and Related Per Share Amounts*** Non-GAAP income from continuing operations attributable to Brink's shareholders increased $2.4 million to $42.8 million due to the operating profit increase mentioned above, partially offset by higher interest expense ($5.7 million) and higher interest and other expense ($4.7 million). Earnings per share from continuing operations was $0.84, up from $0.78 in the second quarter of 2018.

## Analysis of Consolidated Results: First Half 2019 versus First Half 2018

***Non-GAAP Consolidated Revenues*** Non-GAAP revenues increased $141.9 million as the favorable impact of acquisitions ($200.6 million) and organic growth in South America ($67.8 million), North America ($38.8 million), and Rest of World ($5.5 million) were partially offset by the unfavorable impact of currency exchange rates ($170.8 million). The unfavorable currency impact was driven by the Argentine peso, Brazilian real and the euro. Non-GAAP revenues increased 7% on an organic basis due mainly to higher average selling prices in Argentina (including the effects of inflation) and organic revenue growth in Mexico from price increases and volume growth. See above for our definition of "organic."

***Non-GAAP Consolidated Operating Profit*** Non-GAAP operating profit increased $25.9 million due mainly to:

- organic increases in North America ($29.1 million) and South America ($20.2 million), and
- the favorable operating impact of business acquisitions and dispositions ($23.3 million),

partially offset by:

- unfavorable changes in currency exchange rates ($41.0 million) driven by the Argentine peso and Brazilian real, and
- higher corporate expenses ($5.2 million on an organic basis).

***Non-GAAP Consolidated Income from Continuing Operations Attributable to Brink's and Related Per Share Amounts*** Non-GAAP income from continuing operations attributable to Brink's shareholders increased $7.1 million to $82.9 million due to the operating profit increase mentioned above and lower income attributable to noncontrolling interests ($1.6 million), partially offset by higher interest expense ($12.4 million) and higher interest and other expense ($7.5 million). Earnings per share from continuing operations was $1.63, up from $1.45 in the first half of 2018.

### Revenues and Operating Profit by Segment: Second Quarter 2019 versus Second Quarter 2018

| *(In millions)* | 2Q'18 | Organic Change | Acquisitions / Dispositions[(a)] | Currency[(b)] | **2Q'19** | % Change Total | % Change Organic |
|---|---|---|---|---|---|---|---|
| **Revenues:** | | | | | | | |
| North America | $ 324.0 | 19.7 | 98.7 | 0.1 | **442.5** | 37 | 6 |
| South America | 233.3 | 37.7 | 16.6 | (62.4) | **225.2** | (3) | 16 |
| Rest of World | 266.8 | 6.3 | (14.7) | (11.8) | **246.6** | (8) | 2 |
| **Segment revenues[(e)]** | 824.1 | 63.7 | 100.6 | (74.1) | **914.3** | 11 | 8 |
| Other items not allocated to segments[(d)] | 25.6 | (25.6) | (0.3) | — | **(0.3)** | unfav | unfav |
| **Revenues - GAAP** | $ 849.7 | 38.1 | 100.3 | (74.1) | **914.0** | 8 | 4 |
| **Operating profit:** | | | | | | | |
| North America | $ 26.1 | 13.0 | 6.9 | 0.4 | **46.4** | 78 | 50 |
| South America | 46.1 | 15.0 | 3.5 | (19.6) | **45.0** | (2) | 33 |
| Rest of World | 26.2 | 1.0 | — | (1.0) | **26.2** | — | 4 |
| **Segment operating profit** | 98.4 | 29.0 | 10.4 | (20.2) | **117.6** | 20 | 29 |
| Corporate[(c)] | (22.2) | (8.0) | — | 1.4 | **(28.8)** | 30 | 36 |
| **Operating profit - non-GAAP** | 76.2 | 21.0 | 10.4 | (18.8) | **88.8** | 17 | 28 |
| Other items not allocated to segments[(d)] | (14.5) | (15.6) | (16.0) | 9.9 | **(36.2)** | unfav | unfav |
| **Operating profit - GAAP** | $ 61.7 | 5.4 | (5.6) | (8.9) | **52.6** | (15) | 9 |

Amounts may not add due to rounding.

(a) Non-GAAP amounts include the impact of prior year comparable period results for acquired and disposed businesses. GAAP results also include the impact of acquisition-related intangible amortization, restructuring and other charges, and disposition-related gains/losses.
(b) The amounts in the "Currency" column consist of the effects of Venezuela devaluations prior to deconsolidation, the effects of Argentina devaluations under highly inflationary accounting and the sum of monthly currency changes. Monthly currency changes represent the accumulation throughout the year of the impact on current period results of changes in foreign currency rates from the prior year period.
(c) Corporate expenses are not allocated to segment results. Corporate expenses include salaries and other costs to manage the global business and to perform activities required by public companies.
(d) See pages 43–44 for more information.
(e) Segment revenues equal our total reported non-GAAP revenues.

## Analysis of Segment Results: Second Quarter 2019 versus Second Quarter 2018

**North America**
Revenues increased 37% ($118.5 million) primarily due to the favorable impact of acquisitions ($98.7 million), including the August 2018 Dunbar acquisition, and 6% organic growth ($19.7 million) driven by price increases and volume growth in Mexico and price increases in the U.S. Operating profit increased $20.3 million primarily due to organic growth in Mexico and the U.S. and the favorable impact of acquisitions ($6.9 million), primarily from the Dunbar acquisition. Organic profit growth in Mexico was driven by price increases, higher volumes, and labor-related productivity improvements. Organic profit growth in the U.S. was driven by price increases and lower labor costs and other productivity improvements, related to breakthrough initiatives and Dunbar acquisition synergies.

**South America**
Revenues decreased 3% ($8.1 million) primarily due to the unfavorable impact of currency exchange rates ($62.4 million) mostly from the Argentine peso and Brazilian real, partially offset by 16% organic growth ($37.7 million) and the favorable impact of acquisitions and dispositions ($16.6 million), primarily from the January 2019 Rodoban acquisition. The organic growth was driven by inflation-based price increases in Argentina and price increases in Brazil. Operating profit decreased 2% ($1.1 million) due to unfavorable currency ($19.6 million) driven by the Argentine peso, partially offset by organic growth ($15.0 million) and the favorable impact of acquisitions and dispositions ($3.5 million), primarily from the Rodoban acquisition. The organic profit increase was driven by growth in Argentina and Brazil.

**Rest of World**
Revenues decreased 8% ($20.2 million) due to the unfavorable impact of acquisitions and dispositions ($14.7 million), primarily related to the disposition of the French airport security services company in the second quarter of 2018, and the unfavorable impact of currency exchange rates ($11.8 million), partially offset by an organic increase ($6.3 million). The organic increase was due to growth in Israel and the United Kingdom. Operating profit was flat due to unfavorable currency ($1.0 million), offset by an organic increase ($1.0 million). The organic increase was primarily related to Israel, the United Kingdom and France, partially offset by a decrease in Asia Pacific.

## Revenues and Operating Profit by Segment: First Half 2019 versus First Half 2018

| *(In millions)* | | YTD '18 | Organic Change | Acquisitions / Dispositions[a] | Currency[b] | **YTD '19** | % Change Total | % Change Organic |
|---|---|---|---|---|---|---|---|---|
| **Revenues:** | | | | | | | | |
| North America | $ | 644.1 | 38.8 | 198.5 | (4.4) | **877.0** | 36 | 6 |
| South America | | 488.1 | 67.8 | 37.2 | (137.6) | **455.5** | (7) | 14 |
| Rest of World | | 545.2 | 5.5 | (35.1) | (28.8) | **486.8** | (11) | 1 |
| **Segment revenues[e]** | | 1,677.4 | 112.1 | 200.6 | (170.8) | **1,819.3** | 8 | 7 |
| Other items not allocated to segments[d] | | 51.4 | (51.4) | (0.3) | — | **(0.3)** | unfav | unfav |
| **Revenues - GAAP** | $ | 1,728.8 | 60.7 | 200.3 | (170.8) | **1,819.0** | 5 | 4 |
| **Operating profit:** | | | | | | | | |
| North America | $ | 46.7 | 29.1 | 14.7 | (0.1) | **90.4** | 94 | 62 |
| South America | | 101.7 | 20.2 | 7.6 | (41.5) | **88.0** | (13) | 20 |
| Rest of World | | 51.8 | (0.5) | 1.0 | (2.3) | **50.0** | (3) | (1) |
| **Segment operating profit** | | 200.2 | 48.8 | 23.3 | (43.9) | **228.4** | 14 | 24 |
| Corporate[c] | | (52.5) | (5.2) | — | 2.9 | **(54.8)** | 4 | 10 |
| **Operating profit - non-GAAP** | | 147.7 | 43.6 | 23.3 | (41.0) | **173.6** | 18 | 30 |
| Other items not allocated to segments[d] | | (21.2) | (21.8) | (27.7) | 8.1 | **(62.6)** | unfav | unfav |
| **Operating profit - GAAP** | $ | 126.5 | 21.8 | (4.4) | (32.9) | **111.0** | (12) | 17 |

Amounts may not add due to rounding.

See page 41 for footnote explanations.

## Analysis of Segment Results: First Half 2019 versus First Half 2018

**North America**
Revenues increased 36% ($232.9 million) primarily due to the favorable impact of the acquisitions ($198.5 million), primarily from the Dunbar acquisition, and 6% organic growth ($38.8 million), slightly offset by the unfavorable impact of currency exchange rates ($4.4 million) primarily from the Canadian dollar. Organic revenue growth increased from price and volume growth in Mexico and price increases in the U.S. Operating profit increased $43.7 million primarily due to organic growth in the U.S. and Mexico and the favorable impact of acquisitions ($14.7 million), primarily from the Dunbar acquisition. Organic profit growth in the U.S. was driven by price increases and lower labor costs and other productivity improvements, related to breakthrough initiatives and Dunbar acquisition synergies. Organic profit growth in Mexico was driven by price increases, higher volumes, and labor-related productivity improvements.

**South America**
Revenues decreased 7% ($32.6 million) primarily due to the unfavorable impact of currency exchange rates ($137.6 million) mostly from the Argentine peso and Brazilian real, partially offset by 14% organic growth ($67.8 million) and the favorable impact of acquisitions and dispositions ($37.2 million), primarily from the Rodoban acquisition. The organic growth was driven by inflation-based price increases in Argentina and price increases in Brazil. Operating profit decreased 13% ($13.7 million) due to unfavorable currency ($41.5 million) driven by the Argentine peso and Brazilian real, partially offset by organic growth ($20.2 million) and the favorable impact of acquisitions and dispositions ($7.6 million), primarily from the Rodoban acquisition. The organic profit increase was driven by growth in Argentina.

**Rest of World**
Revenues decreased 11% ($58.4 million) due to the unfavorable impact of acquisitions and dispositions ($35.1 million), primarily related to the disposition of the French airport security services company in the second quarter of 2018, and the unfavorable impact of currency exchange rates ($28.8 million), partially offset by an organic increase ($5.5 million). The organic increase was due to growth in Israel, Greece, and Asia Pacific. Operating profit decreased 3% ($1.8 million) due to unfavorable currency ($2.3 million) and a slight organic decrease ($0.5 million), partially offset by the favorable impact of acquisitions and dispositions ($1.0 million).

## Income and Expense Not Allocated to Segments

***Corporate Expenses***

| | Three Months Ended June 30, | | % | Six Months Ended June 30, | | % |
|---|---|---|---|---|---|---|
| *(In millions)* | 2019 | 2018 | change | 2019 | 2018 | change |
| General, administrative and other expenses | $ (32.5) | (20.9) | 56 | $ (59.6) | (52.0) | 15 |
| Foreign currency transaction gains (losses) | (0.3) | (1.7) | (82) | 0.6 | (2.2) | fav |
| Reconciliation of segment policies to GAAP | 4.0 | 0.4 | fav | 4.2 | 1.7 | fav |
| Corporate expenses | $ (28.8) | (22.2) | 30 | $ (54.8) | (52.5) | 4 |

Corporate expenses for the first six months of 2019 increased $2.3 million versus the prior year period primarily driven by higher share-based compensation expense and increased strategic marketing costs, partially offset by lower security costs, currency transaction gains and a reduction in bad debt expense in the current year period. Corporate expenses include former non-segment and regional management costs, currency transaction gains and losses, costs related to global initiatives and adjustments to reconcile segment accounting policies to U.S. GAAP.

***Other Items Not Allocated to Segments***

| | Three Months Ended June 30, | | % | Six Months Ended June 30, | | % |
|---|---|---|---|---|---|---|
| *(In millions)* | 2019 | 2018 | change | 2019 | 2018 | change |
| Revenues: | | | | | | |
| Venezuela operations | $ — | 25.6 | (100) | $ — | 51.4 | (100) |
| Acquisitions and dispositions | (0.3) | — | unfav | (0.3) | — | unfav |
| Revenues | $ (0.3) | 25.6 | unfav | $ (0.3) | 51.4 | unfav |
| | | | | | | |
| Operating profit: | | | | | | |
| Venezuela operations | $ — | (1.2) | (100) | — | 2.3 | (100) |
| Reorganization and Restructuring | (10.6) | (4.5) | unfav | (14.1) | (8.2) | 72 |
| Acquisitions and dispositions | (22.6) | (7.4) | unfav | (39.8) | (13.9) | unfav |
| Argentina highly inflationary impact | (0.1) | — | unfav | (4.4) | — | unfav |
| Reporting compliance | (2.9) | (1.4) | unfav | (4.3) | (1.4) | unfav |
| Operating profit | $ (36.2) | (14.5) | unfav | $ (62.6) | (21.2) | unfav |

The impact of other items not allocated to segments was a loss of $36.2 million in the second quarter of 2019 versus the prior year period loss of $14.5 million. The change was primarily due to higher acquisition-related charges, increased reorganization and restructuring expenses and costs associated with the creation of a new accounts receivable subledger in the U.S. These costs were partially offset by losses from our Venezuela operations in the prior year quarter and a reduction in reporting compliance costs in the current year period.

The impact of other items not allocated to segments was a loss of $62.6 million in the first six months of 2019 versus the prior year period loss of $21.2 million. The change was primarily due to higher acquisition-related charges, increased reorganization and restructuring expenses, the impact of highly inflationary accounting in Argentina, costs associated with the creation of a new accounts receivable subledger in the U.S. and profits from our Venezuela operations in the prior year period.

**Venezuela operations** Prior to the deconsolidation of our Venezuelan subsidiaries effective June 30, 2018, we excluded from our segment results all of our Venezuela operating results due to the Venezuelan government's restrictions that prevented us from repatriating funds. In light of these unique circumstances, our operations in Venezuela have been largely independent of the rest of our global operations. As a result, the Chief Executive Officer, the Company's Chief Operating Decision maker ("CODM"), assessed segment performance and made resource decisions by segment excluding Venezuela operating results. Additionally, management believed excluding Venezuela from segment results made it possible to more effectively evaluate the company’s performance between periods. These amounts were also excluded from non-GAAP results. Prior to deconsolidation,Venezuela operating results included remeasurement gains and losses on monetary assets and liabilities related to currency devaluations. We recognized remeasurement gains of $2.2 million in the first six months of 2018.

Factors considered by management in excluding Venezuela results included:
- Continued inability to repatriate cash to redeploy to other operations or dividend to shareholders,
- Highly inflationary environment,
- Previous fixed exchange rate policy,
- Continued currency devaluations, and
- Difficulty raising prices and controlling costs.

**Reorganization and Restructuring**
*2016 Restructuring*
In the fourth quarter of 2016, management implemented restructuring actions across our global business operations and our corporate functions. As a result of these actions, we recognized $18.1 million in 2016 costs and an additional $17.3 million in 2017 under this restructuring for additional costs related to severance, asset-related adjustments, a benefit program termination and lease terminations. We recognized additional charges of $6.0 million in the first six months of 2018 under this restructuring for severance costs and asset-related adjustments. The actions under this program were substantially completed in 2018.

*Other Restructurings*
Management periodically implements restructuring actions in targeted sections of our business. As a result of these actions, we recognized charges of $2.2 million in the first six months of 2018 and $14.1 million in the first six months of 2019, primarily severance costs and charges related to the modification of share-based compensation awards. When completed, the current restructuring actions will reduce our workforce by 100 to 200 positions and result in approximately $8 million in annualized cost savings. For the current restructuring actions, we expect to incur additional costs between $2 million and $4 million in future periods. These estimates will be updated as management targets additional sections of our business.

Due to the unique circumstances around these charges, they have not been allocated to segment results and are excluded from non-GAAP results. Charges related to the employees, assets, leases and contracts impacted by these restructuring actions were excluded from the segments and corporate expenses as shown in the table below.

| | Three Months Ended June 30, | | % | Six Months Ended June 30, | | % |
|---|---|---|---|---|---|---|
| *(In millions)* | 2019 | 2018 | change | 2019 | 2018 | change |
| Reportable Segments: | | | | | | |
| North America | $ (0.5) | (0.1) | unfav | $ (1.5) | (0.6) | unfav |
| South America | (0.3) | (0.2) | 50 | (0.9) | (1.0) | (10) |
| Rest of World | (1.9) | (4.2) | (55) | (3.3) | (6.6) | (50) |
| Total reportable segments | (2.7) | (4.5) | (40) | (5.7) | (8.2) | (30) |
| Corporate items | (7.9) | — | unfav | (8.4) | — | unfav |
| Total | $ (10.6) | (4.5) | unfav | $ (14.1) | (8.2) | 72 |

**Acquisitions and dispositions** Certain acquisition and disposition items that are not considered part of the ongoing activities of the business and are special in nature are consistently excluded from segment and non-GAAP results. These items are described below:
*2019 Acquisitions and Dispositions*
- We incurred $17.6 million in integration costs related to Dunbar in the first six months of 2019.
- Amortization expense for acquisition-related intangible assets was $13.5 million in the first six months of 2019.
- Restructuring costs related to our Dunbar and Rodoban acquisitions were $3.8 million in the first six months of 2019.
- Transaction costs related to business acquisitions were $1.9 million in the first six months of 2019.
- Compensation expense related to the retention of key Dunbar employees was $1.6 million in the first six months of 2019.
- In the first six months of 2019, we recognized $1.3 million in asset impairment charges and severance costs related to the exit from our top-up prepaid mobile phone business in Brazil.

*2018 Acquisitions and Dispositions*
- Amortization expense for acquisition-related intangible assets was $7.2 million in the first six months of 2018.
- Severance costs related to our 2017 acquisitions in Argentina, France and Brazil were $3.3 million in the first six months of 2018.
- Transaction costs related to business acquisitions were $2.1 million in the first six months of 2018.

**Argentina highly inflationary impact** Beginning in the third quarter of 2018, we designated Argentina's economy as highly inflationary for accounting purposes. As a result, Argentine peso-denominated monetary assets and liabilities are now remeasured at each balance sheet date to the currency exchange rate then in effect, with currency remeasurement gains and losses recognized in earnings. In addition, nonmonetary assets retain a higher historical basis when the currency is devalued. The higher historical basis results in incremental expense being recognized when the nonmonetary assets are consumed. In the first half of 2019, we recognized $4.4 million in pretax charges related to highly inflationary accounting, including currency remeasurement losses of $3.4 million. These amounts are excluded from segment and non-GAAP results.

**Reporting compliance** Certain compliance costs (primarily third party expenses) are excluded from the first six months of 2019 segment and non-GAAP results. These costs relate to the reconstruction of the accounts receivable subledger in the U.S. global services operations ($2.6 million), the implementation and January 1, 2019 adoption of the new lease accounting standard ($1.4 million), and the mitigation of material weaknesses ($0.3 million).

## Foreign Operations

We currently serve customers in more than 100 countries, including 41 countries where we operate subsidiaries.

We are subject to risks customarily associated with doing business in foreign countries, including labor and economic conditions, the imposition of international sanctions, including by the U.S. government, political instability, controls on repatriation of earnings and capital, nationalization, expropriation and other forms of restrictive action by local governments. Changes in the political or economic environments in the countries in which we operate could have a material adverse effect on our business, financial condition and results of operations. The future effects, if any, of these risks are unknown. In April 2019, the U.S. government sanctioned the Venezuela central bank and, as a result, the Company has ceased support of the Venezuela business.

Our international operations conduct a majority of their business in local currencies. Because our financial results are reported in U.S. dollars, they are affected by changes in the value of various local currencies in relation to the U.S. dollar. The recent strengthening of the U.S. dollar has reduced our reported U.S. dollar revenues and operating profit and may continue for the remainder of 2019.

Changes in exchange rates may also affect transactions that are denominated in currencies other than the functional currency. From time to time, we use shorter term foreign currency forward and swap contracts to hedge transactional risks associated with foreign currencies. At June 30, 2019, the notional value of our shorter term outstanding foreign currency forward and swap contracts was $146 million with average contract maturities of approximately one month. These shorter term foreign currency forward and swap contracts primarily offset exposures in the euro and the British pound. Additionally, these shorter term contracts are not designated as hedges for accounting purposes, and accordingly, changes in their fair value are recorded immediately in earnings. We recognized gains of $2.5 million on these contracts in the first six months of 2019. At June 30, 2019, the fair value of these shorter term foreign currency contracts was not significant.

We also have a longer term cross currency swap contract to hedge exposure in Brazilian real, which is designated as a cash flow hedge for accounting purposes. At June 30, 2019, the notional value of this longer term contract was $142 million with a weighted-average maturity of approximately 2.5 years. We recognized net losses of $1.3 million on this contract, of which gains of $1.4 million were included in other operating income (expense) to offset transaction losses of $1.4 million and expenses of $2.7 million were included in interest expense in the first six months of 2019. At June 30, 2019, the fair value of the longer term cross currency swap contract was a $1.3 million net liability, of which a $3.2 million asset is included in other assets and a $4.5 million liability is included in accrued liabilities on the condensed consolidated balance sheet.

See Note 1 to the condensed consolidated financial statements for a description of government currency processes and restrictions in Venezuela, the effect on our operations, and how we accounted for currency remeasurement for Venezuelan subsidiaries, prior to deconsolidation effective June 30, 2018 under the heading, "Venezuela". See Note 1 to the condensed consolidated financial statements for a description of how we account for currency remeasurement for Argentine subsidiaries, beginning July 1, 2018 under the heading, "Argentina".

## Other Operating Income (Expense)

Other operating income (expense) includes amounts included in segment results as well as income and expense not allocated to segments.

| | Three Months Ended June 30, | | % | Six Months Ended June 30, | | % |
|---|---|---|---|---|---|---|
| *(In millions)* | 2019 | 2018 | change | 2019 | 2018 | change |
| Foreign currency items: | | | | | | |
| Transaction gains (losses) | $ 1.7 | (7.7) | fav | $ (5.2) | (3.3) | 58 |
| Derivative instrument gains (losses) | (1.4) | 5.5 | unfav | 2.5 | 3.4 | (26) |
| Gains on sale of property and other assets | 1.1 | 0.1 | fav | 1.2 | 0.5 | fav |
| Impairment losses | (0.4) | (0.9) | (56) | (1.6) | (2.7) | (41) |
| Share in earnings of equity affiliates | 0.3 | 0.3 | — | 0.5 | 1.4 | (64) |
| Royalty income | 1.3 | 1.3 | — | 2.5 | 1.8 | 39 |
| Other gains (losses) | (0.9) | 0.1 | unfav | (0.4) | — | unfav |
| Other operating income (expense) | $ 1.7 | (1.3) | fav | $ (0.5) | 1.1 | unfav |

Other operating income (expense) was $1.7 million of income in the second quarter of 2019 versus $1.3 million of expense in the prior year period. The change from the prior year quarter was primarily due to higher net foreign currency item gains in the second quarter of 2019.

Other operating income (expense) was $0.5 million of expense in the first six months of 2019 versus $1.1 million of income in the prior year period. The change from the prior year quarter was primarily due to higher net foreign currency item losses in the first half of 2019, primarily as a result of currency remeasurement in Argentina under highly inflationary accounting, partially offset by lower impairment losses.

## Nonoperating Income and Expense

***Interest expense***

| | Three Months Ended June 30, | | % | Six Months Ended June 30, | | % |
|---|---|---|---|---|---|---|
| *(In millions)* | 2019 | 2018 | change | 2019 | 2018 | change |
| Interest expense | $ 22.7 | 15.8 | 44 | $ 45.7 | 30.8 | 48 |

Interest expense was higher in the second quarter of 2019 compared to the prior year period primarily due to higher borrowing levels due to business acquisitions.

Interest expense was higher in the first half of 2019 compared to the prior year period primarily due to higher borrowing levels due to business acquisitions.

***Loss on deconsolidation of Venezuela operations***

| | Three Months Ended June 30, | | % | Six Months Ended June 30, | | % |
|---|---|---|---|---|---|---|
| *(In millions)* | 2019 | 2018 | change | 2019 | 2018 | change |
| Loss on deconsolidation of Venezuela operations | $ — | 126.7 | (100) | $ — | 126.7 | (100) |

See Note 1 to the condensed consolidated financial statements for more information about the loss on deconsolidation of our Venezuelan operations.

***Interest and other nonoperating income (expense)***

| *(In millions)* | Three Months Ended June 30, 2019 | Three Months Ended June 30, 2018 | % change | Six Months Ended June 30, 2019 | Six Months Ended June 30, 2018 | % change |
|---|---|---|---|---|---|---|
| Interest income | $ 1.1 | 2.1 | (48) | $ 2.3 | 4.1 | (44) |
| Gain on equity securities | — | 1.5 | (100) | — | 1.5 | (100) |
| Foreign currency transaction losses[a] | — | (12.6) | (100) | — | (15.5) | (100) |
| Retirement benefit cost other than service cost | (7.8) | (10.0) | (22) | (17.5) | (21.7) | (19) |
| Non-income taxes on intercompany billings[b] | (0.8) | (0.3) | unfav | (1.8) | (0.6) | unfav |
| Venezuela operations[c] | (0.4) | — | unfav | (0.9) | — | unfav |
| Gain on lease termination[d] | 5.2 | — | fav | 5.2 | — | fav |
| Gain on a disposition of a subsidiary[e] | — | 10.3 | (100) | — | 10.3 | (100) |
| Other | (0.4) | 0.9 | unfav | (1.6) | 0.7 | unfav |
| Interest and other nonoperating income (expense) | $ (3.1) | (8.1) | (62) | $ (14.3) | (21.2) | (33) |

(a) Prior to the July 1, 2018 highly inflationary designation for accounting purposes, currency transaction losses incurred by Brink's Argentina related to its U.S. dollar-denominated payables to the sellers of Maco Transporatadora and Maco Litoral.
(b) Certain of our Latin American subsidiaries incur non-income taxes related to the billing of intercompany charges. These intercompany charges do not impact South American segment results and are eliminated in our consolidation.
(c) Charges incurred for providing financial support to Brink's Venezuelan subsidiaries after the June 30, 2018 deconsolidation. We do not expect any future funding of the Venezuela business, as long as current U.S. sanctions remain in effect.
(d) Gain on termination of a mining lease obligation related to former coal operations. We have no remaining mining leases.
(e) Gain on the sale of our former French airport security services subsidiary in the second quarter of 2018.

## Income Taxes

| | Three Months Ended June 30, 2019 | Three Months Ended June 30, 2018 | Six Months Ended June 30, 2019 | Six Months Ended June 30, 2018 |
|---|---|---|---|---|
| *Continuing operations* | | | | |
| Provision for income taxes (in millions) | $ 12.7 | 18.6 | $ 22.4 | 30.0 |
| Effective tax rate | 47.4% | (20.9)% | 43.9% | (57.5%) |

*Effective Tax Rate*
Our effective tax rate may fluctuate materially from these estimates due to changes in permanent book-tax differences, changes in the expected amount and geographical mix of earnings, changes in current or deferred taxes due to legislative changes, changes in valuation allowances or accruals for contingencies, changes in distributions of share-based payments, changes in guidance and additional legislative changes related to the Tax Reform Act, and other factors.

## Noncontrolling Interests

| *(In millions)* | Three Months Ended June 30, 2019 | Three Months Ended June 30, 2018 | % change | Six Months Ended June 30, 2019 | Six Months Ended June 30, 2018 | % change |
|---|---|---|---|---|---|---|
| Net income attributable to noncontrolling interests | $ 1.5 | 0.3 | unfav | $ 2.3 | 3.5 | (34) |

The change from $0.3 million net income attributable to noncontrolling interests in the second quarter of 2018 to $1.5 million of net income attributable to noncontrolling interests in the second quarter of 2019 was primarily due to the deconsolidation of our Venezuelan subsidiaries effective June 30, 2018, and the acquisition of the Colombian noncontrolling interests in the fourth quarter of 2018.

The change from $3.5 million net income attributable to noncontrolling interests in the first six months of 2018 to $2.3 million of net income attributable to noncontrolling interests in the first six months of 2019 was primarily due to the deconsolidation of our Venezuelan subsidiaries effective June 30, 2018, and the acquisition of the Colombian noncontrolling interests in the fourth quarter of 2018.

See Note 1 to the condensed consolidated financial statements for more information about the deconsolidation of our Venezuelan subsidiaries.

## Non-GAAP Results Reconciled to GAAP

Non-GAAP results described in this filing are financial measures that are not required by or presented in accordance with GAAP. The purpose of the non-GAAP results is to report financial information from the primary operations of our business by excluding the effects of certain income and expenses that do not reflect the ordinary earnings of our operations. The specific items excluded have not been allocated to segments, are described in detail on pages 43–44, and are reconciled to comparable GAAP measures below.

Non-GAAP results adjust the quarterly non-GAAP tax rates so that the non-GAAP tax rate in each of the quarters is equal to the full-year estimated non-GAAP tax rate. The full-year non-GAAP tax rate in both years excludes certain pretax and income tax amounts. Amounts reported for prior periods have been updated in this report to present information consistently for all periods presented.

The Non-GAAP financial measures are intended to provide investors with a supplemental comparison of our operating results and trends for the periods presented. Our management believes these measures are also useful to investors as they allow investors to evaluate our performance using the same metrics that our management uses to evaluate past performance and prospects for future performance. We do not consider these items to be reflective of our core operating performance due to the variability of such items from period-to-period in terms of size, nature and significance. Additionally, non-GAAP results are utilized as performance measures in certain management incentive compensation plans.

Non-GAAP results should not be considered as an alternative to revenue, income or earnings per share amounts determined in accordance with GAAP and should be read in conjunction with their GAAP counterparts.

| | YTD '19 | | | YTD '18 | | |
|---|---|---|---|---|---|---|
| *(In millions, except for percentages)* | **Pre-tax** | **Tax** | **Effective tax rate** | **Pre-tax** | **Tax** | **Effective tax rate** |
| **Effective Income Tax Rate[a]** | | | | | | |
| GAAP | $ 51.0 | 22.4 | 43.9% | $ (52.2) | 30.0 | (57.5)% |
| Retirement plans[d] | 14.9 | 3.5 | | 16.9 | 3.9 | |
| Venezuela operations[b][f] | 0.9 | — | | 0.6 | (3.9) | |
| Reorganization and Restructuring[b] | 14.1 | 3.6 | | 8.2 | 2.7 | |
| Acquisitions and dispositions[b] | 42.8 | 2.8 | | 19.6 | 9.3 | |
| Tax on accelerated income[e] | — | — | | — | 0.3 | |
| Argentina highly inflationary impact[b] | 4.4 | — | | — | — | |
| Reporting compliance[b] | 4.3 | 0.1 | | 1.4 | 0.3 | |
| Gain on lease termination[g] | (5.2) | — | | — | — | |
| Loss on deconsolidation of Venezuela operations[f] | — | — | | 126.7 | — | |
| Income tax rate adjustment[c] | — | 9.6 | | — | (1.1) | |
| Non-GAAP | $ 127.2 | 42.0 | 33.0% | $ 121.2 | 41.5 | 34.2 % |

Amounts may not add due to rounding.

(a) From continuing operations.
(b) See "Other Items Not Allocated To Segments" on pages 43–44 for details. We do not consider these items to be reflective of our core operating performance due to the variability of such items from period-to-period in terms of size, nature and significance.
(c) Non-GAAP income from continuing operations and non-GAAP EPS have been adjusted to reflect an effective income tax rate in each interim period equal to the full-year non-GAAP effective income tax rate. The full-year non-GAAP effective tax rate is estimated at 33.0% for 2019 and was 34.2% for 2018.
(d) Our U.S. retirement plans are frozen and costs related to these plans are excluded from non-GAAP results. Certain non-U.S. operations also have retirement plans. Settlement charges related to these non-U.S. plans are also excluded from non-GAAP results.
(e) The non-GAAP tax rate excludes the 2018 foreign tax benefit that resulted from the transaction that accelerated U.S. tax in 2015.
(f) Effective June 30, 2018, we deconsolidated our investment in Venezuelan subsidiaries and recognized a pretax charge of $126.7 million. Post-deconsolidation funding of ongoing costs related to our Venezuelan operations was $0.9 million in the first six months of 2019 and was expensed as incurred and reported in interest and other nonoperating income (expense). We do not expect any future funding of the Venezuela business, as long as current U.S. sanctions remain in effect.
(g) Gain on settlement of a mining lease obligation related to former coal operations. We have no remaining mining leases.
(h) Because we reported a loss from continuing operations on a GAAP basis in the second quarter of 2018, GAAP EPS was calculated using basic shares. However, as we reported income from continuing operations on a non-GAAP basis in the second quarter of 2018, non-GAAP EPS was calculated using diluted shares.

### *Non-GAAP Results Reconciled to GAAP*

| *(In millions, except for percentages and per share amounts)* | | Three Months Ended June 30, 2019 | Three Months Ended June 30, 2018 | Six Months Ended June 30, 2019 | Six Months Ended June 30, 2018 |
|---|---|---|---|---|---|
| Revenues: | | | | | |
| GAAP | $ | 914.0 | 849.7 | 1,819.0 | 1,728.8 |
| Venezuela operations[b] | | — | (25.6) | — | (51.4) |
| Acquisitions and dispositions[b] | | 0.3 | — | 0.3 | — |
| Non-GAAP | $ | 914.3 | 824.1 | 1,819.3 | 1,677.4 |
| Operating profit: | | | | | |
| GAAP | $ | 52.6 | 61.7 | 111.0 | 126.5 |
| Venezuela operations[b] | | — | 1.2 | — | (2.3) |
| Reorganization and Restructuring[b] | | 10.6 | 4.5 | 14.1 | 8.2 |
| Acquisitions and dispositions[b] | | 22.6 | 7.4 | 39.8 | 13.9 |
| Argentina highly inflationary impact[b] | | 0.1 | — | 4.4 | — |
| Reporting compliance[b] | | 2.9 | 1.4 | 4.3 | 1.4 |
| Non-GAAP | $ | 88.8 | 76.2 | 173.6 | 147.7 |
| Operating margin: | | | | | |
| GAAP margin | | 5.8% | 7.3% | 6.1% | 7.3% |
| Non-GAAP margin | | 9.7% | 9.2% | 9.5% | 8.8% |
| Interest expense: | | | | | |
| GAAP | $ | (22.7) | (15.8) | (45.7) | (30.8) |
| Venezuela operations[b] | | — | 0.1 | — | 0.1 |
| Acquisitions and dispositions[b] | | 1.5 | 0.2 | 3.0 | 0.4 |
| Non-GAAP | $ | (21.2) | (15.5) | (42.7) | (30.3) |
| Loss on deconsolidation of Venezuela operations: | | | | | |
| GAAP | $ | — | (126.7) | — | (126.7) |
| Loss on deconsolidation of Venezuela operations[f] | | — | 126.7 | — | 126.7 |
| Non-GAAP | $ | — | — | — | — |
| Interest and other nonoperating income (expense): | | | | | |
| GAAP | $ | (3.1) | (8.1) | (14.3) | (21.2) |
| Retirement plans[d] | | 6.5 | 8.1 | 14.9 | 16.9 |
| Venezuela operations[b][f] | | 0.4 | 0.9 | 0.9 | 2.8 |
| Acquisitions and dispositions[b] | | — | 2.4 | — | 5.3 |
| Gain on lease termination[g] | | (5.2) | — | (5.2) | — |
| Non-GAAP | $ | (1.4) | 3.3 | (3.7) | 3.8 |
| Provision for income taxes: | | | | | |
| GAAP | $ | 12.7 | 18.6 | 22.4 | 30.0 |
| Retirement plans[d] | | 1.6 | 2.0 | 3.5 | 3.9 |
| Venezuela operations[b] | | — | (2.4) | — | (3.9) |
| Reorganization and Restructuring[b] | | 2.6 | 1.5 | 3.6 | 2.7 |
| Acquisitions and dispositions[b] | | 1.1 | 6.2 | 2.8 | 9.3 |
| Tax on accelerated income[e] | | — | (0.2) | — | 0.3 |
| Reporting compliance[b] | | 0.1 | 0.3 | 0.1 | 0.3 |
| Income tax rate adjustment[c] | | 3.8 | (4.1) | 9.6 | (1.1) |
| Non-GAAP | $ | 21.9 | 21.9 | 42.0 | 41.5 |

Amounts may not add due to rounding.

See page 48 for footnote explanations.

| (In millions, except for percentages and per share amounts) | | Three Months Ended June 30, 2019 | Three Months Ended June 30, 2018 | Six Months Ended June 30, 2019 | Six Months Ended June 30, 2018 |
|---|---|---|---|---|---|
| Net income (loss) attributable to noncontrolling interests: | | | | | |
| GAAP | $ | 1.5 | 0.3 | 2.3 | 3.5 |
| Venezuela operations(b) | | — | 1.6 | — | 1.0 |
| Reorganization and Restructuring(b) | | — | (0.1) | — | (0.1) |
| Income tax rate adjustment(c) | | — | (0.1) | — | (0.5) |
| Non-GAAP | $ | 1.5 | 1.7 | 2.3 | 3.9 |
| | | | | | |
| Income (loss) from continuing operations attributable to Brink's: | | | | | |
| GAAP | $ | 12.6 | (107.8) | 26.3 | (85.7) |
| Retirement plans(d) | | 4.9 | 6.1 | 11.4 | 13.0 |
| Venezuela operations(b)(f) | | 0.4 | 3.0 | 0.9 | 3.5 |
| Reorganization and Restructuring(b) | | 8.0 | 3.1 | 10.5 | 5.6 |
| Acquisitions and dispositions(b) | | 23.0 | 3.8 | 40.0 | 10.3 |
| Tax on accelerated income(e) | | — | 0.2 | — | (0.3) |
| Argentina highly inflationary impact(b) | | 0.1 | — | 4.4 | — |
| Reporting compliance(b) | | 2.8 | 1.1 | 4.2 | 1.1 |
| Gain on lease termination(g) | | (5.2) | — | (5.2) | — |
| Loss on deconsolidation of Venezuela operations(f) | | — | 126.7 | — | 126.7 |
| Income tax rate adjustment(c) | | (3.8) | 4.2 | (9.6) | 1.6 |
| Non-GAAP | $ | 42.8 | 40.4 | 82.9 | 75.8 |
| | | | | | |
| Diluted EPS: | | | | | |
| GAAP | $ | 0.25 | (2.11) | 0.52 | (1.68) |
| Retirement plans(d) | | 0.10 | 0.12 | 0.22 | 0.25 |
| Venezuela operations(b)(f) | | 0.01 | 0.06 | 0.02 | 0.07 |
| Reorganization and Restructuring(b) | | 0.16 | 0.06 | 0.21 | 0.11 |
| Acquisitions and dispositions(b) | | 0.45 | 0.07 | 0.79 | 0.20 |
| Tax on accelerated income(e) | | — | — | — | (0.01) |
| Argentina highly inflationary impact(b) | | — | — | 0.09 | — |
| Reporting compliance(b) | | 0.06 | 0.02 | 0.08 | 0.02 |
| Gain on lease termination(g) | | (0.10) | — | (0.10) | — |
| Loss on deconsolidation of Venezuela operations(f) | | — | 2.43 | — | 2.43 |
| Income tax rate adjustment(c) | | (0.07) | 0.08 | (0.19) | 0.03 |
| Share adjustment(h) | | — | 0.04 | — | 0.04 |
| Non-GAAP | $ | 0.84 | 0.78 | 1.63 | 1.45 |

Amounts may not add due to rounding.

See page 48 for footnote explanations.

## LIQUIDITY AND CAPITAL RESOURCES

### Overview

Cash flows from operating activities decreased by $85.2 million in the first six months of 2019 as compared to the first six months of 2018. Cash used for investing activities increased by $135.3 million in the first six months of 2019 compared to the first six months of 2018. We financed our liquidity needs in the first six months of 2019 with cash flows from long term debt.

### Operating Activities

| *(In millions)* | | Six Months Ended June 30, 2019 | 2018 | $ change |
|---|---|---|---|---|
| **Cash flows from operating activities** | | | | |
| Operating activities - GAAP | $ | 23.9 | 109.1 | (85.2) |
| Venezuela operations | | — | (0.4) | 0.4 |
| (Increase) decrease in restricted cash held for customers | | 29.5 | (4.4) | 33.9 |
| (Increase) decrease in certain customer obligations[(a)] | | (7.0) | (5.7) | (1.3) |
| Operating activities - non-GAAP | $ | 46.4 | 98.6 | (52.2) |

(a) To adjust for the change in the balance of customer obligations related to cash received and processed in certain of our secure cash management services operations. The title to this cash transfers to us for a short period of time. The cash is generally credited to customers' accounts the following day and we do not consider it as available for general corporate purposes in the management of our liquidity and capital resources.

Non-GAAP cash flows from operating activities is a supplemental financial measure that is not required by, or presented in accordance with, GAAP. The purpose of this non-GAAP measure is to report financial information excluding cash flows from Venezuela operations prior to the deconsolidation, restricted cash held for customers and the impact of cash received and processed in certain of our secure cash management services operations. We believe this measure is helpful in assessing cash flows from operations, enables period-to-period comparability and is useful in predicting future operating cash flows. This non-GAAP measure should not be considered as an alternative to cash flows from operating activities determined in accordance with GAAP and should be read in conjunction with our condensed consolidated statements of cash flows.

***GAAP***
Cash flows from operating activities decreased by $85.2 million in the first six months of 2019 compared to the same period in 2018. The decrease was attributed to the $33.9 million decrease in restricted cash held for customers, higher amounts paid for interest, and changes in working capital, partially offset by lower amounts paid for taxes.

***Non-GAAP***
Non-GAAP cash flows from operating activities decreased by $52.2 million in the first six months of 2019 as compared to the same period in 2018. The decrease was primarily due to higher amounts paid for interest and changes in working capital, partially offset by lower amounts paid for taxes.

## Investing Activities

| *(In millions)* | | Six Months Ended June 30, 2019 | 2018 | $ change |
|---|---|---|---|---|
| **Cash flows from investing activities** | | | | |
| Capital expenditures | $ | (73.1) | (73.3) | 0.2 |
| Acquisitions, net of cash acquired | | (167.0) | — | (167.0) |
| Dispositions, net of cash disposed | | — | 9.6 | (9.6) |
| Marketable securities: | | | | |
| Purchases | | (2.2) | (50.1) | 47.9 |
| Sales | | 0.8 | 5.5 | (4.7) |
| Proceeds from sale of property and equipment | | 1.9 | 1.8 | 0.1 |
| Other | | (3.1) | (0.9) | (2.2) |
| Investing activities | $ | (242.7) | (107.4) | (135.3) |

Cash used by investing activities increased by $135.3 million in the first six months of 2019 versus the first six months of 2018. The increase was primarily due to the $167 million in cash paid, net of cash acquired, for the acquisitions in Brazil and the U.S., partially offset by lower purchases of marketable securities during the first six months of 2019.

Capital expenditures and depreciation and amortization were as follows:

| (In millions) | | Six Months Ended June 30, 2019 | 2018 | $ change | Full Year 2018 |
|---|---|---|---|---|---|
| ***Property and equipment acquired during the period*** | | | | | |
| Capital expenditures:[a] | | | | | |
| North America | $ | 33.6 | 30.3 | 3.3 | 59.1 |
| South America | | 19.8 | 22.4 | (2.6) | 43.3 |
| Rest of World | | 13.8 | 13.4 | 0.4 | 37.9 |
| Corporate | | 5.9 | 7.2 | (1.3) | 14.8 |
| Capital expenditures - GAAP and non-GAAP | $ | 73.1 | 73.3 | (0.2) | 155.1 |
| | | | | | |
| Financing leases:[b] | | | | | |
| North America | $ | 26.3 | 21.9 | 4.4 | 42.3 |
| South America | | 0.9 | 5.6 | (4.7) | 9.6 |
| Rest of World | | 3.3 | — | 3.3 | — |
| Financing leases - GAAP and non-GAAP | $ | 30.5 | 27.5 | 3.0 | 51.9 |
| | | | | | |
| Total: | | | | | |
| North America | $ | 59.9 | 52.2 | 7.7 | 101.4 |
| South America | | 20.7 | 28.0 | (7.3) | 52.9 |
| Rest of World | | 17.1 | 13.4 | 3.7 | 37.9 |
| Corporate | | 5.9 | 7.2 | (1.3) | 14.8 |
| Total property and equipment acquired | $ | 103.6 | 100.8 | 2.8 | 207.0 |
| | | | | | |
| ***Depreciation and amortization***[a] | | | | | |
| North America | $ | 42.3 | 32.3 | 10.0 | 72.1 |
| South America | | 14.0 | 13.5 | 0.5 | 26.3 |
| Rest of World | | 17.3 | 16.1 | 1.2 | 31.3 |
| Corporate | | 5.6 | 6.3 | (0.7) | 11.9 |
| Depreciation and amortization - non-GAAP | $ | 79.2 | 68.2 | 11.0 | 141.6 |
| Venezuela | | — | 1.1 | (1.1) | 1.1 |
| Argentina highly inflationary impact | | 0.5 | — | 0.5 | — |
| Reorganization and Restructuring | | 0.1 | 1.4 | (1.3) | 1.9 |
| Acquisitions and dispositions | | 3.3 | — | 3.3 | — |
| Amortization of intangible assets | | 13.5 | 7.2 | 6.3 | 17.7 |
| Depreciation and amortization - GAAP | $ | 96.6 | 77.9 | 18.7 | 162.3 |

(a) Capital expenditures as well as depreciation and amortization related to Venezuela have been excluded from South America. In addition, incremental depreciation related to highly inflationary accounting in Argentina, accelerated depreciation related to restructuring activities and amortization of acquisition-related intangible assets have also been excluded from non-GAAP amounts.

(b) Represents the amount of property and equipment acquired using financing leases. Because the assets are acquired without using cash, the acquisitions are not reflected in the condensed consolidated cash flow statement. Amounts are provided here to assist in the comparison of assets acquired in the current year versus prior years.

Non-GAAP capital expenditures and non-GAAP depreciation and amortization are supplemental financial measures that are not required by, or presented in accordance with GAAP. The purpose of these non-GAAP measures is to report financial information excluding capital expenditures and depreciation and amortization from our Venezuela operations prior to the deconsolidation, incremental depreciation related to highly inflationary accounting in Argentina, accelerated depreciation from restructuring activities and amortization of acquisition-related intangible assets. We believe these measures are helpful in assessing capital expenditures and depreciation and amortization, enable period-to-period comparability and are useful in predicting future investing cash flows. These non-GAAP measures should not be considered as alternatives to capital expenditures and depreciation and amortization determined in accordance with GAAP and should be read in conjunction with our condensed consolidated statements of cash flows.

Our reinvestment ratio, which we define as the annual amount of property and equipment acquired during the period divided by the annual amount of depreciation, was 1.4 for the twelve months ending June 30, 2019 compared to 1.7 for the twelve months ending June 30, 2018.

Capital expenditures in the first six months of 2019 were primarily for machinery and equipment, information technology and armored vehicles.

## Financing Activities

| (In millions) | Six Months Ended June 30, 2019 | 2018 | $ change |
|---|---|---|---|
| **Cash flows from financing activities** | | | |
| Borrowings and repayments: | | | |
| Short-term borrowings | $ 0.1 | 10.5 | (10.4) |
| Cash supply chain customer debt | — | (11.7) | 11.7 |
| Long-term revolving credit facilities, net | (130.6) | — | (130.6) |
| Other long-term debt, net | 309.5 | (25.9) | 335.4 |
| Borrowings (repayments) | 179.0 | (27.1) | 206.1 |
| | | | |
| Debt financing costs | (4.0) | — | (4.0) |
| Dividends to: | | | |
| Shareholders of Brink's | (14.9) | (15.2) | 0.3 |
| Noncontrolling interests in subsidiaries | (0.2) | (1.9) | 1.7 |
| Acquisition-related financing activities: | | | |
| Payment of acquisition-related obligation | (1.5) | — | (1.5) |
| Proceeds from exercise of stock options | — | 0.8 | (0.8) |
| Tax withholdings associated with share-based compensation | (7.2) | (11.3) | 4.1 |
| Other | (1.7) | 0.2 | (1.9) |
| Financing activities | $ 149.5 | (54.5) | 204.0 |

***Debt borrowings and repayments***
Cash flows from financing activities increased by $204.0 million in the first six months of 2019 compared to the first six months of 2018 as net borrowings increased compared to the prior year period.

***Dividends***
We paid dividends to Brink's shareholders of $0.30 per share or $14.9 million in the first six months of 2019 compared to $0.30 per share or $15.2 million in the first six months of 2018. Future dividends are dependent on our earnings, financial condition, shareholders' equity levels, our cash flow and business requirements, as determined by the Board of Directors.

***Reconciliation of Net Debt to U.S. GAAP Measures***

| *(In millions)* | | June 30, 2019 | December 31, 2018 |
|---|---|---|---|
| Debt: | | | |
| Short-term borrowings | $ | 29.2 | 28.9 |
| Long-term debt | | 1,730.3 | 1,525.1 |
| Total Debt | | 1,759.5 | 1,554.0 |
| Restricted cash borrowings[(a)] | | (10.4) | (10.5) |
| Total Debt without restricted cash borrowings | | 1,749.1 | 1,543.5 |
| | | | |
| Less: | | | |
| Cash and cash equivalents | | 304.9 | 343.4 |
| Amounts held by Cash Management Services operations[(b)] | | (21.6) | (14.1) |
| Cash and cash equivalents available for general corporate purposes | | 283.3 | 329.3 |
| | | | |
| Net Debt | $ | 1,465.8 | 1,214.2 |

(a) Restricted cash borrowings are related to cash borrowed under lending arrangements used in the process of managing customer cash supply chains, which is currently classified as restricted cash and not available for general corporate purposes.

(b) Title to cash received and processed in certain of our secure Cash Management Services operations transfers to us for a short period of time. The cash is generally credited to customers' accounts the following day and we do not consider it as available for general corporate purposes in the management of our liquidity and capital resources and in our computation of Net Debt.

Net Debt is a supplemental non-GAAP financial measure that is not required by, or presented in accordance with GAAP. We use Net Debt as a measure of our financial leverage. We believe that investors also may find Net Debt to be helpful in evaluating our financial leverage. Net Debt should not be considered as an alternative to Debt determined in accordance with GAAP and should be reviewed in conjunction with our condensed consolidated balance sheets. Set forth above is a reconciliation of Net Debt, a non-GAAP financial measure, to Debt, which is the most directly comparable financial measure calculated and reported in accordance with GAAP, as of June 30, 2019, and December 31, 2018.

Net Debt increased by $252 million primarily to fund business acquisitions and other working capital needs including insurance and bonus payments.

***Liquidity Needs***

Our liquidity needs include not only the working capital requirements of our operations but also investments in our operations, business development activities, payments on outstanding debt, dividend payments and share repurchases.

Our liquidity needs are typically financed by cash from operations, short-term debt and the available borrowing capacity under our Revolving Credit Facility (our debt facilities are described in more detail in Note 9 to the condensed consolidated financial statements, including certain limitations and considerations related to the cash and borrowing capacity). As of June 30, 2019, $791 million was available under the Revolving Credit Facility. Based on our current cash on hand and amounts available under our credit facilities, we believe that we will be able to meet our liquidity needs for the foreseeable future.

*Limitations on dividends from foreign subsidiaries*. A significant portion of our operations are outside the U.S. which may make it difficult or costly to repatriate cash for use in the U.S. See "Risk Factors" in Item 1A of our annual report on Form 10-K for the year ended December 31, 2018, for more information on the risks associated with having businesses outside the U.S.

***Equity***

In May 2017, our board of directors authorized a $200 million share repurchase program, which will expire on December 31, 2019. We are not obligated to repurchase any specific dollar amount or number of shares, and, at June 30, 2019, approximately $106 million remains available under this program. The timing and volume of share repurchases may be executed at the discretion of management on an opportunistic basis, or pursuant to trading plans or other arrangements. Share repurchases under this program may be made in the open market, in privately negotiated transactions, or otherwise.

In December 2018, we entered into an accelerated share repurchase arrangement ("ASR") with a financial institution. In exchange for a $50 million up-front payment at the beginning of the purchase period, the financial institution delivered to us 700,000 shares of our common stock for an average repurchase price of $71.43 per share. The shares received were retired in the period they were delivered to us, and the up-front payment was accounted for as a reduction to shareholders' equity in the condensed consolidated balance sheet. For purposes of calculating earnings per share, we reported the ASR as a repurchase of our common stock in December 2018 and as a forward contract indexed to our common stock. The ASR met all of the applicable criteria for equity classification, and, as a result, was not accounted for as a derivative instrument.

The ASR purchase period subsequently ended in February 2019 and we received and retired an additional 37,387 shares under the ASR, resulting in an overall average repurchase price of $67.81 per share.

During the quarter ended June 30, 2019, no additional shares were repurchased.

## U.S. Retirement Liabilities

**Funded Status of U.S. Retirement Plans**

| | | Actual | Actual | Projected | | | | |
|---|---|---|---|---|---|---|---|---|
| *(In millions)* | | 2018 | First Half 2019 | 2nd Half 2019 | 2020 | 2021 | 2022 | 2023 |
| **Primary U.S. pension plan** | | | | | | | | |
| Beginning funded status | $ | (102.3) | (106.8) | (98.3) | (94.3) | (81.4) | (68.0) | (36.4) |
| Net periodic pension credit[a] | | 22.0 | 8.5 | 8.4 | 15.7 | 15.4 | 15.7 | 16.6 |
| Payment from Brink’s | | — | — | — | — | — | 17.3 | 28.3 |
| Benefit plan experience loss | | (26.5) | — | (4.4) | (2.8) | (2.0) | (1.4) | (0.1) |
| Ending funded status | $ | (106.8) | (98.3) | (94.3) | (81.4) | (68.0) | (36.4) | 8.4 |
| **UMWA plans** | | | | | | | | |
| Beginning funded status | $ | (294.3) | (297.4) | (297.8) | (301.4) | (309.1) | (318.0) | (328.1) |
| Net periodic postretirement cost[a] | | (0.4) | (2.5) | (1.5) | (7.7) | (8.9) | (10.1) | (11.5) |
| Benefit plan experience loss | | (1.4) | — | — | — | — | — | — |
| Other | | (1.3) | 2.1 | (2.1) | — | — | — | — |
| Ending funded status | $ | (297.4) | (297.8) | (301.4) | (309.1) | (318.0) | (328.1) | (339.6) |
| **Black lung plans** | | | | | | | | |
| Beginning funded status | $ | (67.0) | (67.9) | (65.5) | (63.3) | (58.6) | (54.3) | (50.3) |
| Net periodic postretirement cost[a] | | (2.5) | (1.5) | (1.5) | (2.4) | (2.3) | (2.2) | (1.9) |
| Payment from Brink’s | | 8.1 | 3.9 | 3.7 | 7.1 | 6.6 | 6.2 | 5.7 |
| Benefit plan experience loss | | (6.5) | — | — | — | — | — | — |
| Ending funded status | $ | (67.9) | (65.5) | (63.3) | (58.6) | (54.3) | (50.3) | (46.5) |

(a) Excludes amounts reclassified from accumulated other comprehensive income (loss).

**Primary U.S. Pension Plan**
Pension benefits provided to eligible U.S. employees were frozen on December 31, 2005, and are not provided to employees hired after 2005 or to those covered by a collective bargaining agreement. We did not make cash contributions to the primary U.S. pension plan in 2018 or the first six months of 2019. There are approximately 14,000 beneficiaries in the plan.

Based on assumptions found in our Annual Report on Form 10-K for the year ended December 31, 2018, we do not expect to make contributions until 2022.

**UMWA Plans**
Retirement benefits related to former coal operations include medical benefits provided by the Pittston Coal Group Companies Employee Benefit Plan for UMWA Represented Employees. There are approximately 3,200 beneficiaries in the UMWA plans. The company does not expect to make additional contributions to these plans until 2025 based on actuarial assumptions.

**Black Lung**
Under the Federal Black Lung Benefits Act of 1972, Brink’s is responsible for paying lifetime black lung benefits to miners and their dependents for claims filed and approved after June 30, 1973. There are approximately 800 black lung beneficiaries.

**Assumptions for U.S. Retirement Obligations**
We have made various assumptions to estimate the amount of payments to be made in the future. The most significant assumptions include:

- Discount rates and other assumptions in effect at measurement dates (normally December 31)
- Investment returns of plan assets
- Addition of new participants (historically immaterial due to freezing of pension benefits and exit from coal business)
- Mortality rates
- Change in laws

The assumptions used to estimate our U.S. retirement obligations can be found in our Annual Report on Form 10-K for the year ended December 31, 2018.

**Summary of Expenses Related to All U.S. Retirement Liabilities through 2023**

This table summarizes actual and projected expense related to U.S. retirement liabilities.

| | Actual | Actual | Projected | | | | | |
|---|---|---|---|---|---|---|---|---|
| *(In millions)* | 2018 | First Half 2019 | 2nd Half 2019 | FY2019 | 2020 | 2021 | 2022 | 2023 |
| Primary U.S. pension plan | $ 5.5 | 1.3 | 1.3 | 2.6 | 5.5 | 5.2 | 4.3 | 4.0 |
| UMWA plans | 16.1 | 9.1 | 6.8 | 15.9 | 22.6 | 22.9 | 23.2 | 23.7 |
| Black lung plans | 9.8 | 3.6 | 3.8 | 7.4 | 6.6 | 6.2 | 5.7 | 5.3 |
| Total | $ 31.4 | 14.0 | 11.9 | 25.9 | 34.7 | 34.3 | 33.2 | 33.0 |

**Summary of Payments from Brink's to U.S. Plans and Payments from U.S. Plans to Participants through 2023**

This table summarizes actual and projected payments:

- from Brink's to U.S. retirement plans, and
- from the plans to participants.

| | Actual | Actual | Projected | | | | | |
|---|---|---|---|---|---|---|---|---|
| *(In millions)* | 2018 | First Half 2019 | 2nd Half 2019 | FY2019 | 2020 | 2021 | 2022 | 2023 |
| **Payments from Brink's to U.S. Plans** | | | | | | | | |
| Primary U.S. pension plan | $ — | — | — | — | — | — | 17.3 | 28.3 |
| Black lung plans | 8.1 | 3.9 | 3.7 | 7.6 | 7.1 | 6.6 | 6.2 | 5.7 |
| Total | $ 8.1 | 3.9 | 3.7 | 7.6 | 7.1 | 6.6 | 23.5 | 34.0 |
| | | | | | | | | |
| **Payments from U.S. Plans to participants** | | | | | | | | |
| Primary U.S. pension plan | $ 48.3 | 24.1 | 26.9 | 51.0 | 51.1 | 51.1 | 51.0 | 51.0 |
| UMWA plans | 28.6 | 15.6 | 17.9 | 33.5 | 33.6 | 33.6 | 34.2 | 34.0 |
| Black lung plans | 8.1 | 3.9 | 3.7 | 7.6 | 7.1 | 6.6 | 6.2 | 5.7 |
| Total | $ 85.0 | 43.6 | 48.5 | 92.1 | 91.8 | 91.3 | 91.4 | 90.7 |

The amounts in the tables above are based on a variety of estimates, including actuarial assumptions as of the most recent measurement date. The estimated amounts will change in the future to reflect payments made, investment returns, actuarial revaluations, and other changes in estimates. Actual amounts could differ materially from the estimated amounts.

**Contingent Matters**

See Note 14 to the condensed consolidated financial statements for information about contingent matters at June 30, 2019.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

We serve customers in more than 100 countries, including 41 countries where we operate subsidiaries. These operations expose us to a variety of market risks, including the effects of changes in interest rates and foreign currency exchange rates. In addition, we consume various commodities in the normal course of business, exposing us to the effects of changes in the prices of such commodities. These financial and commodity exposures are monitored and managed by us as an integral part of our overall risk management program. Our risk management program seeks to reduce the potentially adverse effects that the volatility of certain markets may have on our operating results. We have not had any material change in our market risk exposures in the six months ended June 30, 2019.

**Item 4. Controls and Procedures**

Pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer ("CEO"), who is our principal executive officer, and our Executive Vice President and Chief Financial Officer ("CFO"), who is our principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined under Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based upon that evaluation, as of the end of the period covered by this report, our CEO and CFO concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act, is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

*Changes in internal control over financial reporting.*
During the quarter ended June 30, 2019, we moved our U.S. operations into the Shared Service Center ("SSC") as part of a multi-year implementation schedule in which several countries have and will be moved to the SSC using the same accounting platform. This implementation is being performed to consolidate accounting systems, gain efficiencies of scale, and harmonize internal control over financial reporting across our various entities. Other than this change, there has been no change in our internal control over financial reporting during the quarter ended June 30, 2019 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**Forward-looking information**
This document contains both historical and forward-looking information. Words such as "anticipates," "assumes," "estimates," "expects," "projects," "predicts," "intends," "plans," "potential," "believes," "could," "may," "should" and similar expressions may identify forward-looking information. Forward-looking information in this document includes, but is not limited to, statements concerning: segment operating profit margin outlook; difficulty in repatriating cash; continued strengthening of the U.S. dollar; effects of currency rate changes; anticipated costs of our Reorganization and Restructuring activities; support for the Company's Venezuela business, expected impact of acquisitions; our effective tax rate; costs related to and continued limitation in our ability to make and execute operational decisions with respect to our Venezuela operations; the ability to meet liquidity needs; expenses and payouts for the U.S. retirement plans and the funded status of the primary pension plan; expected liability for and future contributions to the UMWA plans; liability for black lung obligations; and the effect of pending legal matters. Forward-looking information in this document is subject to known and unknown risks, uncertainties, and contingencies, which are difficult to quantify and which could cause actual results, performance or achievements to differ materially from those that are anticipated.

These risks, uncertainties and contingencies, many of which are beyond our control, include, but are not limited to:

- our ability to improve profitability and execute further cost and operational improvements and efficiencies in our core businesses;
- our ability to improve service levels and quality in our core businesses;
- market volatility and commodity price fluctuations;
- seasonality, pricing and other competitive industry factors;
- investment in information technology and its impact on revenue and profit growth;
- our ability to maintain an effective IT infrastructure and safeguard confidential information;
- our ability to effectively develop and implement solutions for our customers;
- risks associated with operating in foreign countries, including changing political, labor and economic conditions, regulatory issues (including the imposition of international sanctions, including by the U.S. government), currency restrictions and devaluations, restrictions on and cost of repatriating earnings and capital, impact on the Company's financial results as a result of jurisdictions determined to be highly inflationary, and restrictive government actions, including nationalization;
- labor issues, including negotiations with organized labor and work stoppages;
- the strength of the U.S. dollar relative to foreign currencies and foreign currency exchange rates;
- our ability to identify, evaluate and complete acquisitions and other strategic transactions and to successfully integrate acquired companies;
- costs related to dispositions and product or market exits;
- our ability to obtain appropriate insurance coverage, positions taken by insurers relative to claims and the financial condition of insurers;
- safety and security performance and loss experience;
- employee, environmental and other liabilities in connection with former coal operations, including black lung claims;
- the impact of the Patient Protection and Affordable Care Act on legacy liabilities and ongoing operations;

- funding requirements, accounting treatment, and investment performance of our pension plans, the VEBA and other employee benefits;
- changes to estimated liabilities and assets in actuarial assumptions;
- the nature of hedging relationships and counterparty risk;
- access to the capital and credit markets;
- our ability to realize deferred tax assets;
- the outcome of pending and future claims, litigation, and administrative proceedings;
- public perception of our business, reputation and brand;
- changes in estimates and assumptions underlying our critical accounting policies; and
- the promulgation and adoption of new accounting standards, new government regulations and interpretation of existing standards and regulations.

This list of risks, uncertainties and contingencies is not intended to be exhaustive.  Additional factors that could cause our results to differ materially from those described in the forward-looking statements can be found under “Risk Factors” in Item 1A of our Annual Report on Form 10-K for the period ended December 31, 2018 and in our other public filings with the Securities and Exchange Commission.  The forward looking information included in this document is representative only as of the date of this document, and The Brink’s Company undertakes no obligation to update any information contained in this document.

**Part II - Other Information**

**Item 1. Legal Proceedings**

For a discussion of legal proceedings, see Note 14 to the condensed consolidated financial statements, “Contingent Matters,” in Part I, Item 1 of this Form 10-Q.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

The following table provides information about common stock repurchases by the Company during the quarter ended June 30, 2019.

| Period | (a) Total Number of Shares Purchased[1] | (b) Average Price Paid per Share | (c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | (d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet be Purchased Under the Plans or Programs |
|---|---|---|---|---|
| April 1 through April 30, 2019 | — | $ — | — | $ — |
| May 1 through May 31, 2019 | — | — | — | — |
| June 1 through June 30, 2019 | — | — | — | — |

(1) On May 8, 2017, the Company’s board of directors authorized the Company to repurchase up to $200,000,000 of common stock from time to time as market conditions warrant and as covenants under existing agreements permit. The program does not require the Company to acquire any specific numbers of shares and may be modified or discontinued at any time. At June 30, 2019, $106,542,999 remains available under this program. The program will expire on December 31, 2019.

**Item 6. Exhibits**

| Exhibit Number | |
|---|---|
| 10.1 | 2013 Equity Incentive Plan, effective as of February 22, 2013, as amended and restated effective May 2, 2019 |
| 10.2 | 2017 Equity Incentive Plan, effective as of May 5, 2017, as amended and restated effective May 2, 2019 |
| 31.1 | Certification of Douglas A. Pertz, President and Chief Executive Officer (Principal Executive Officer) of The Brink's Company, pursuant to Rules 13a-14(a) and 15d-14(a) promulgated under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2 | Certification of Ronald J. Domanico, Executive Vice President and Chief Financial Officer (Principal Financial Officer) of The Brink's Company, pursuant to Rules 13a-14(a) and 15d-14(a) promulgated under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1 | Certification of Douglas A. Pertz, President and Chief Executive Officer (Principal Executive Officer) of The Brink's Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2 | Certification of Ronald J. Domanico, Executive Vice President and Chief Financial Officer (Principal Financial Officer) of The Brink's Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101 | Interactive Data File (Quarterly Report on Form 10-Q, for the quarterly period ended June 30, 2019, furnished in Inline eXtensible Business Reporting Language (iXBRL)). The instance document does not appear in the interactive data file because its iXBRL tags are embedded within the iXBRL document.<br><br>Attached as Exhibit 101 to this report are the following documents formatted in iXBRL: (i) the Condensed Consolidated Balance Sheets at June 30, 2019, and December 31, 2018, (ii) the Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2019 and 2018, (iii) the Condensed Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2019 and 2018, (iv) the Condensed Consolidated Statements of Equity for the six months ended June 30, 2019 and 2018, (v) the Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2019 and 2018 and (vi) the Notes to the Condensed Consolidated Financial Statements. Users of this data are advised pursuant to Rule 406T of Regulation S-T that this interactive data file is deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Securities and Exchange Act of 1934, and otherwise is not subject to liability under these sections. |

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE BRINK’S COMPANY

July 24, 2019

By: /s/ Ronald J. Domanico
Ronald J. Domanico
(Executive Vice President and
Chief Financial Officer)
(principal financial officer)

**The Brink's Company**

Richmond, Virginia

# 2013 Equity Incentive Plan

Effective as of February 22, 2013 and as
Amended and Restated effective May 2, 2019

**THE BRINK'S COMPANY**

**2013 EQUITY INCENTIVE PLAN**
**(Effective as of February 22, 2013 and**
**as Amended and Restated Effective May 2, 2019)**

SECTION 1. *Purpose.*

The purpose of The Brink's Company 2013 Equity Incentive Plan (effective as of February 22, 2013 and as amended and restated effective May 2, 2019) is to:

- motivate and reward individuals for the accomplishment of long-term financial goals intended to increase shareholder value;
- enhance retention of individuals who drive sustained performance;
- align management and shareholder interests by providing key employees with an opportunity to acquire an equity interest in The Brink's Company; and
- act as the successor plan to The Brink's Company 2005 Equity Incentive Plan.

SECTION 2. *Definitions*.

As used in the Plan, the following terms shall have the meanings set forth below:

(a) "**Act**" shall mean the Securities Exchange Act of 1934, as amended.

(b) "**Affiliate**" shall mean (i) any entity that, directly or indirectly, is controlled by the Company and (ii) any entity in which the Company has a significant equity interest, in either case as determined by the Committee (including any entity that becomes an Affiliate hereafter).

(c) "**Award**" shall mean any Option, Stock Appreciation Right, award of Restricted Stock or Restricted Stock Unit, award of Performance Stock or Performance Unit, Other Stock-Based or Cash Award granted under the Plan.

(d) "**Award Agreement**" shall mean any written or electronic agreement, contract or other instrument or document evidencing any Award granted under the Plan, which may, but need not, be executed or acknowledged by a Participant.

(e) "**Beneficiary**" shall mean a person or persons entitled to receive payments or other benefits or exercise rights that are available under the Plan in the event of the Participant's death.

(f) "**Board**" shall mean the board of directors of the Company.

(g) “**Cause**” shall mean, unless otherwise set forth in the Award Agreement, with respect to any Participant, (a) embezzlement, theft or misappropriation by the Participant of any property of the Company, (b) the Participant’s willful breach of any fiduciary duty to the Company, (c) the Participant’s willful failure or refusal to comply with laws or regulations applicable to the Company and its business or the policies of the Company governing the conduct of its employees, (d) the Participant’s gross incompetence in the performance of the Participant’s job duties, (e) commission by the Participant of a felony or of any crime involving moral turpitude, fraud or misrepresentation, (f) the failure of the Participant to perform duties consistent with a commercially reasonable standard of care or (g) any gross negligence or willful misconduct of the Participant resulting in a loss to the Company.

(h) “**Cash Award**” shall mean an Award, granted pursuant to Section 10, stated with reference to a specified dollar amount which, subject to such terms and conditions as may be prescribed by the Committee, entitles the Participant to receive cash from the Company or an Affiliate.

(i) “**Change in Control**” shall mean the occurrence of:

(i) (A) any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation or pursuant to which the Shares would be converted into cash, securities or other property other than a consolidation or merger in which holders of the total voting power in the election of directors of the Company of Shares outstanding (exclusive of shares held by the Company’s Affiliates) (the “**Total Voting Power**”) immediately prior to the consolidation or merger will have the same proportionate ownership of the total voting power in the election of directors of the surviving corporation immediately after the consolidation or merger, or (B) any sale, leases, exchange or other transfer (in one transaction or a series of transactions) of all or substantially all the assets of the Company;

(ii) any “person” (as defined in Section 13(d) of the Act) other than the Company, its Affiliates or an employee benefit plan or trust maintained by the Company or its affiliates, becoming the “beneficial owner” (as defined in Rule 13d-3 under the Act), directly or indirectly, of more than 20% of the Total Voting Power; or

(iii) at any time during a period of two consecutive years, individuals who at the beginning of such period constituted the Board ceasing for any reason to constitute at least a majority thereof, provided that any individual becoming a director subsequent to the effective date of the Plan whose election or nomination for election was approved by a vote of at least two-thirds of the directors comprising the Board at the beginning of the two year period, shall be considered as though such director was a member of the Board at the beginning of the two year period, but excluding for this purposes any director whose initial assumption of office occurred as a result of an actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board.

(j) "**Code**" shall mean the Internal Revenue Code of 1986, as amended from time to time.

(k) "**Committee**" shall mean the Compensation and Benefits Committee of the Board or such other committee as may be designated by the Board.

(l) "**Company**" shall mean The Brink's Company.

(m) "**Company Deferred Compensation Program**" shall mean The Brink's Company Key Employees' Deferred Compensation Program, as amended from time to time.

(n) "**Executive Group**" shall mean every person who is expected by the Committee to be both (i) a "covered employee" as defined in Section 162(m) of the Code as of the end of the taxable year in which payment of the Award may be deducted by the Company, and (ii) the recipient of compensation of more than $1,000,000 (as such number appearing in Section 162(m) of the Code may be adjusted by any subsequent legislation) for that taxable year.

(o) "**Fair Market Value**" shall mean with respect to Shares, the closing price of a share of such common stock on the date in question (or, if there is no reported sale on such date, on the last preceding date on which any reported sale occurred) on the New York Stock Exchange Composite Transactions Tape or with respect to any property other than Shares, the fair market value of such property determined by such methods or procedures as shall be established from time to time by the Committee.

(p) "**Incentive Stock Option**" shall mean an option representing the right to purchase Shares from the Company, granted under and in accordance with the terms of Section 6, that meets the requirements of Section 422 of the Code, or any successor provision thereto.

(q) "**Non-Qualified Stock Option**" shall mean an option representing the right to purchase Shares from the Company, granted under and in accordance with the terms of Section 6, that is not an Incentive Stock Option.

(r) "**Option**" shall mean an Incentive Stock Option or a Non-Qualified Stock Option.

(s) "**Other Stock-Based Award**" shall mean any right granted under Section 10.

(t) "**Participant**" shall mean an individual granted an Award under the Plan.

(u) "**Performance Stock**" shall mean any Share granted under Section 9.

(v) “**Performance Unit**” means a contractual right, granted pursuant to Section 9, that is denominated in Shares. Each Performance Unit represents a right to receive the value of one Share (or a percentage of such value) in cash, Shares or a combination thereof. Awards of Performance Units may include the right to receive dividend equivalents.

(w) “**Plan**” shall mean The Brink’s Company 2013 Equity Incentive Plan (effective as of February 22, 2013 and as amended and restated effective May 2, 2019).

(x) “**Prior Plan**” shall mean The Brink’s Company 2005 Equity Incentive Plan.

(y) “**Restricted Stock**” shall mean any Share granted under Section 8.

(z) “**Restricted Stock Unit**” means a contractual right, granted pursuant to Section 8, that is denominated in Shares. Each Restricted Stock Unit represents a right to receive the value of one Share (or a percentage of such value) in cash, Shares or a combination thereof. Awards of Restricted Stock Units may include the right to receive dividend equivalents.

(aa) “**Retirement**” shall mean, with respect to any Participant, any termination of the Participant’s employment on or after the date on which the Participant has (i) attained age 65 and completed at least five years of service with the Company or any of its Subsidiaries or (ii) attained age 55 and completed at least ten years of service with the Company or any of its Subsidiaries; *provided* that the Participant’s employment is not terminated for Cause.

(bb) “**SAR**” or “**Stock Appreciation Right**” shall mean any right granted to a Participant pursuant to Section 7 to receive, upon exercise by the Participant, the excess of (i) the Fair Market Value of one Share on the date of exercise or at any time during a specified period after the date of grant and before the date of exercise over (ii) the grant price of the right on the date of grant, or if granted in connection with an outstanding Option on the date of grant of the related Option, as specified by the Committee in its sole discretion, which, except in the case of Substitute Awards or in connection with an adjustment provided in Section 5(d), shall not be less than the Fair Market Value of one Share on such date of grant of the right or the exercise price of the related Option, as the case may be.

(cc) “**Shares**” shall mean shares of the common stock of the Company.

(dd) “**Subsidiary**” shall mean any corporation of which stock representing at least 50% of the ordinary voting power is owned, directly or indirectly, by the Company (including any entity that becomes a Subsidiary hereafter).

(ee) “**Substitute Awards**” shall mean Awards granted in assumption of, or in substitution for, outstanding awards previously granted by a company acquired by the Company or any Subsidiary or Affiliate or with which the Company or any Subsidiary or Affiliate combines.

SECTION 3. *Eligibility.*

(a) Any individual who is employed by the Company, any Subsidiary or any Affiliate, including any officer-director, shall be eligible to be selected to receive an Award under the Plan.

(b) Directors who are not full-time or part-time officers are not eligible to receive Awards hereunder.

(c) Holders of options and other types of Awards granted by a company acquired by the Company, any Subsidiary or any Affiliate or with which the Company, any Subsidiary or any Affiliate combines are eligible for grant of Substitute Awards hereunder.

SECTION 4. *Administration.*

(a) The Plan shall be administered by the Committee. The Committee shall be appointed by the Board and shall consist of not less than three directors, each of whom shall be independent, within the meaning of and to the extent required by applicable rulings and interpretations of the New York Stock Exchange and the Securities and Exchange Commission, and each of whom shall be a “Non-Employee Director”, as defined from time to time for purposes of Section 16 of the Act and the rules promulgated thereunder and shall satisfy the requirements for an outside director pursuant to Section 162(m) of the Code, and any regulations issued thereunder. The Board may designate one or more directors as alternate members of the Committee who may replace any absent or disqualified member at any meeting of the Committee. No member or alternate member of the Committee shall be eligible, while a member or alternate member, for participation in the Plan. The Committee may issue rules and regulations for administration of the Plan. It shall meet at such times and places as it may determine.

(b) Subject to the terms of the Plan and applicable law, the Committee shall have full power and authority to: (i) designate Participants; (ii) determine the type or types of Awards (including Substitute Awards) to be granted to each Participant under the Plan; (iii) determine the number of Shares to be covered by (or with respect to which payments, rights, or other matters are to be calculated in connection with) Awards; (iv) determine the terms and conditions of any Award; (v) determine whether, to what extent, and under what circumstances Awards may be settled or exercised in cash, Shares, other securities, or other Awards, or canceled, forfeited or suspended, and the method or methods by which Awards may be settled, exercised, canceled, forfeited or suspended; (vi) determine whether, to what extent, and under what circumstances cash, Shares, other securities, other Awards, and other amounts payable with respect to an Award under the Plan shall be deferred either automatically or at the election of the holder thereof or of the Committee; (vii) accelerate the vesting, settlement or payment of an Award; (viii) interpret and administer the Plan and any instrument or agreement relating to, or Award made under, the Plan; (ix) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and (x) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan.

(c) All decisions of the Committee shall be final, conclusive and binding upon all parties, including the Company, the shareholders and the Participants.

SECTION 5. *Shares Available for Issuance.*

(a) Subject to adjustment as provided in this Section 5, a total of 2,888,906 Shares, plus the additional Shares that again become available for grant under Sections 5(b) and 5(c) below, less one (1) Share for every one (1) Share granted pursuant to an award under the Prior Plan after December 31, 2012 (the "Maximum Share Limit") shall be authorized for Awards granted under the Plan. After the Company's shareholders approve the Plan, no further awards may be granted under the Prior Plan. Shares up to the Maximum Share Limit may be subject to Options under the Plan. In addition, each Unit standing to the credit of an Employee's Incentive Account under the Company Deferred Compensation Program (each such capitalized term as defined under the Company Deferred Compensation Program) shall be counted against the Maximum Share Limit. The Section 5(a) shall only apply to Units credited to an Employee's Incentive Account on or after January 1, 2013 (but not any such Units granted to an Employee's credit as of December 31, 2012). Except as set forth below, a Share subject to any Award under this Plan shall reduce the Maximum Share Limit available for Awards under this Plan, and the maximum number of Shares available for Options under this Plan, by one.

(b) If (i) any Shares subject to an Award are forfeited, an Award expires or otherwise terminates without issuance of Shares, or an Award is settled for cash (in whole or in part) or otherwise does not result in the issuance of all or a portion of the Shares subject to such Award (including on payment in Shares on exercise of a Stock Appreciation Right), such Shares shall, to the extent of such forfeiture, expiration, termination, cash settlement or non-issuance, again be available for grant under the Plan on a one-for-one basis or (ii) after December 31, 2012 any Shares subject to an award under any Prior Plan are forfeited, an award under any Prior Plan expires or otherwise terminates without issuance of such Shares, or an award under any Prior Plan is settled for cash (in whole or in part), or otherwise does not result in the issuance of all or a portion of the Shares subject to such award (including on payment in Shares on exercise of a stock appreciation right), then in each such case the Shares subject to the Award or award under any Prior Plan shall, to the extent of such forfeiture, expiration, termination, cash settlement or non-issuance, again be available for grant under the Plan on a one-for-one basis.

(c) In the event that (i) any Option or other Award granted hereunder is exercised through the tendering of Shares (either actually or by attestation) or by the withholding of Shares by the Company, or (ii) withholding tax liabilities arising from such Option or other Award are satisfied by the tendering of Shares (either actually or by attestation) or by the withholding of Shares by the Company, then in each such case the

Shares so tendered or withheld shall again be available for grant under the Plan on a one-for-one basis. In the event that after December 31, 2012 (i) any option or award under any Prior Plan is exercised through the tendering of Shares (either actually or by attestation) or by the withholding of Shares by the Company, or (ii) withholding tax liabilities arising from such options or awards are satisfied by the tendering of Shares (either actually or by attestation) or by the withholding of Shares by the Company, then in each such case the Shares so tendered or withheld shall be available for grant under the Plan on a one-for-one basis.

(d) Substitute Awards shall not reduce the Shares authorized for grant under the Plan or the applicable limitations on grants to a Participant under Section 5(f) and Section 9(d), nor shall Shares subject to a Substitute Award again be available for Awards under the Plan as provided in paragraphs (b) and (c) above. Additionally, in the event that a company acquired by the Company or any Affiliate or with which the Company or any Affiliate combines has shares available under a pre-existing plan approved by shareholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not reduce the Shares authorized for grant under the Plan (and Shares subject to such Awards shall not again be available for Awards under the Plan as provided in paragraphs (b) and (c) above); provided that Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not employees prior to such acquisition or combination.

(e) Any Shares issued hereunder may consist, in whole or in part, of authorized and unissued shares or shares purchased in the open market or otherwise.

(f) In the event that the Committee shall determine that any dividend or other distribution (whether in the form of cash, Shares or other securities), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company, or other similar corporate transaction or event affects the Shares such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, in such manner as it may deem equitable, make any such substitution or adjustments as it, in its sole discretion, deems appropriate and equitable, which may include, without limitation, adjustments to any or all of (i) the number and type of Shares (or other securities) which thereafter may be made the subject of Awards, including the aggregate and individual limits specified in Section 5(a) and Section 9(d), (ii) the number and type of Shares (or other securities) subject to outstanding Awards, and (iii) the grant, purchase, or exercise price with respect to any

Award or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award; *provided, however*, that the number of Shares subject to any Award denominated in Shares shall always be a whole number.

SECTION 6*. Options.*

The Committee is hereby authorized to grant Options to Participants with the following terms and conditions and with such additional terms and conditions, in either case not inconsistent with the provisions of the Plan, as the Committee shall determine:

(a) The purchase price per Share under an Option shall be determined by the Committee; *provided*, *however*, that, except in the case of Substitute Awards, such purchase price shall not be less than the Fair Market Value of a Share on the date of grant of such Option.

(b) The term of each Option shall be fixed by the Committee but shall not exceed 6 years from the date of grant thereof.

(c) The Committee shall determine the time or times at which an Option may be exercised in whole or in part; *provided*, *however*, that, except in the event of a Change in Control, an Option shall not be exercisable before the expiration of one year from the date the Option is granted.

(d) The Committee shall determine the method or methods by which, and the form or forms, including, without limitation, cash, Shares (either actually or by attestation or by withholding by the Company), other Awards, or any combination thereof, having a Fair Market Value on the exercise date equal to the relevant exercise price, in which, payment of the exercise price with respect thereto may be made or deemed to have been made.

(e) The terms of any Incentive Stock Option granted under the Plan shall comply in all respects with the provisions of Section 422 of the Code, or any successor provision thereto, and any regulations promulgated thereunder.

(f) Options shall not be granted under the Plan in consideration for and shall not be conditioned upon the delivery of Shares to the Company in payment of the exercise price and/or tax withholding obligation under any other employee stock option.

(g) Sections 9 and 11 set forth certain additional provisions that shall apply to Options.

SECTION 7. *Stock Appreciation Rights*.

(a) The Committee is hereby authorized to grant Stock Appreciation Rights (“**SARs**”) to Participants with terms and conditions as the Committee shall determine not inconsistent with the provisions of the Plan.

(b) SARs may be granted hereunder to Participants either alone ("**freestanding**") or in addition to other Awards granted under the Plan ("**tandem**") and may, but need not, relate to a specific Option granted under Section 6.

(c) Any tandem SAR related to an Option may be granted at the same time such Option is granted or at any time thereafter before exercise or expiration of such Option. In the case of any tandem SAR related to any Option, the SAR or applicable portion thereof shall not be exercisable until the related Option or applicable portion thereof is exercisable and shall terminate and no longer be exercisable upon the termination or exercise of the related Option, except that a SAR granted with respect to less than the full number of Shares covered by a related Option shall not be reduced until the exercise or termination of the related Option exceeds the number of Shares not covered by the SAR. Any Option related to any tandem SAR shall no longer be exercisable to the extent the related SAR has been exercised.

(d) A freestanding SAR shall not have a term of greater than 6 years or, unless it is a Substitute Award, an exercise price less than 100% of Fair Market Value of the Share on the date of grant and, except in the event of a Change in Control, shall not be exercisable before the expiration of one year from the date the SAR is granted.

(e) Sections 9 and 11 set forth certain additional provisions that shall apply to SARs.

SECTION 8. *Restricted Stock and Restricted Stock Units*.

(a) The Committee is hereby authorized to grant Awards of Restricted Stock and Restricted Stock Units to Participants.

(b) Shares of Restricted Stock and Restricted Stock Units shall be subject to such restrictions as the Committee may impose (including, without limitation, any limitation on the right to vote a Share of Restricted Stock or the right to receive any dividend or other right), which restrictions may lapse separately or in combination at such time or times, in such installments or otherwise, as the Committee may deem appropriate; *provided, however*, that subject to Section 12(g), Restricted Stock and Restricted Stock Units shall have a vesting period of not less than one year.

(c) Any Share of Restricted Stock granted under the Plan may be evidenced in such manner as the Committee may deem appropriate including, without limitation, book-entry registration or issuance of a stock certificate or certificates. In the event any stock certificate is issued in respect of Shares of Restricted Stock granted under the Plan, such certificate shall be registered in the name of the Participant and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock.

(d) The Committee may in its discretion, when it finds that a waiver would be in the best interests of the Company, waive in whole or in part any or all restrictions with respect to Shares of Restricted Stock and Restricted Stock Units; *provided*, that the Committee may not waive the restriction in the proviso of Section 8(b).

(e) If the Committee intends that an Award granted under this Section 8, shall constitute or give rise to “qualified performance based compensation” under Section 162(m) of the Code, such Award may be structured in accordance with the requirements of Section 9, including the performance criteria set forth therein, and any such Award shall be considered an Award of Performance Stock or Performance Units, as applicable, for purposes of the Plan.

(f) Section 11 sets forth certain additional provisions that shall apply to Restricted Stock and Restricted Stock Units.

SECTION 9. *Performance Stock and Performance Units.*

(a) The Committee is hereby authorized to grant Awards of Performance Stock and Performance Units to Participants.

(b) Subject to the terms of the Plan, Shares of Performance Stock and Performance Units shall be subject to such restrictions as the Committee may impose (including, without limitation, any limitation on the right to vote a Share of Performance Stock or the right to receive any dividend or other right), which restrictions may lapse, in whole or in part, upon the achievement of such performance goals during such performance periods as the Committee shall establish. Subject to the terms of the Plan, the performance goals to be achieved during any performance period, the length of any performance period, the number of Shares subject to any Award of Performance Stock or Performance Units shall be determined by the Committee; *provided, however*, that subject to Section 12(g), the performance period relating to Performance Stock and Performance Units shall be at least one year.

(c) Any Share of Performance Stock granted under the Plan may be evidenced in such manner as the Committee may deem appropriate including, without limitation, book-entry registration or issuance of a stock certificate or certificates. In the event any stock certificate is issued in respect of Shares of Performance Stock granted under the Plan, such certificate shall be registered in the name of the Participant and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Performance Stock.

(d) Every Award of Performance Stock and every Award of Performance Units to a member of the Executive Group shall, if the Committee intends that such Award should constitute “qualified performance-based compensation” for purposes of Section 162(m) of the Code, include a pre-established formula, such that payment, retention or vesting of the Award is subject to the achievement during a performance period or periods, as determined by the Committee, of a level or levels, as determined by the Committee, of one or more of the following performance measures with respect to the Company, any Subsidiary and/or any business unit of the Company or any Subsidiary: net income, operating income, income from selected businesses, segment operating profit, segment margin rate, return on net assets, revenue, revenue growth, stock price, change in stock price, total shareholder return, comparisons with various stock indices, total market capitalization, earnings, earnings per share, earnings growth, growth rate, compound annual growth rate, book or market value per share, return on equity, net revenue per employee, market share, market penetration, business retention, new customer generation, business expansion goals, operational effectiveness measures, customer satisfaction, service quality, employee satisfaction, management of employment practices and employee benefits, recruiting and retaining personnel, supervision of litigation, implementation or completion of critical projects or processes, return on capital and/or economic value added (or equivalent metric), debt ratio, stockholders' equity (total or per share), regulatory achievements, acquisitions and divestitures, operating margins, gross margins, cash margin, return on assets or net assets, return on revenue, reductions in cost, cash flow return on investment, year-end cash, debt reduction, control of interest expense, improvement in or attainment of expense levels or working capital levels, cost controls and targets (including cost of capital), or cash flow and/or free cash flow (before or after dividends); whether or not determined in accordance with generally accepted accounting principles but, where applicable, as consistently applied by the Company and, as so determined by the Committee prior to the release or forfeiture of the Shares of Performance Stock or the expiration of the Award of Performance Units (as applicable), adjusted, to the extent permitted under Section 162(m) of the Code if the Committee intends the Award of Performance Stock or Performance Units to continue to constitute "qualified performance-based compensation" under Section 162(m) of the Code, to omit the effects of extraordinary items, the gain or loss on the disposal of a business segment, unusual or infrequently occurring events and transactions, accruals for awards under the Plan and cumulative effects of changes in accounting principles. Performance measures may vary from Performance Stock Award to Performance Stock Award, Performance Unit Award to Performance Unit Award and from Participant to Participant and may be established on a stand-alone basis, in tandem or in the alternative. Performance measures may be expressed on an absolute basis or on a relative basis against a peer group or an index. For any Award (other than Options or SARs) subject to any such pre-established formula, the maximum number of Shares subject to any such Award granted in any calendar year shall be 400,000, subject to adjustment as provided in Section 5(f). Subject to adjustment as provided in Section 5(f), no Participant may receive Options and/or SARs under the Plan in any calendar year that relate to more than 400,000 Shares. Notwithstanding any provision of the Plan to the contrary, the Committee shall not be authorized to increase the number of Shares subject to any Award to which this Section 9(d) applies upon attainment of such pre-established formula. For any Cash Awards that are intended to constitute "qualified performance-based compensation" within the meaning of Section 162(m) of the Code and are stated with reference to a specified dollar limit, the maximum amount that may be earned and become payable to any one Participant with respect to any twelve (12)-month performance period shall equal $3,000,000 (pro rated up or down for performance periods that are greater or lesser than twelve (12) months). Notwithstanding the foregoing, (i) if an Award is denominated in cash but an equivalent amount of Shares are delivered in lieu of delivery of cash, or the Award is denominated in Shares but an equivalent amount of cash is delivered in lieu of Shares, the foregoing limits shall be applied to the cash or Shares, as applicable, based on the methodology used by the Committee to convert the cash into Shares or Shares into cash, as applicable, and (ii) any adjustment in the number of Shares or the amount of cash delivered to reflect actual or deemed investment experience shall be disregarded. If an Award that a Participant holds is cancelled or subject to a repricing within the meaning of the regulations under Code Section 162(m), the cancelled Award shall continue to be counted against the maximum number of Shares for which Awards may be granted to the Participant in any calendar year as required under Code Section 162(m). The foregoing limits shall be subject to adjustment as provided in Section 5(f).

(e) Section 11 sets forth certain additional provisions that shall apply to Performance Stock and Performance Units.

SECTION 10*. Other Stock-Based Awards.*

(a) The Committee is hereby authorized to grant to Participants such other Awards (including, without limitation, rights to dividends and dividend equivalents) that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Shares (including, without limitation, securities convertible into Shares) as are deemed by the Committee to be consistent with the purposes of the Plan. Subject to the terms of the Plan, the Committee shall determine the terms and conditions of such Awards. Shares or other securities delivered pursuant to a purchase right granted under this Section 10 shall be purchased for such consideration, which may be paid by such method or methods and in such form or forms, including, without limitation, cash, Shares (either actually or by attestation or by withholding by the Company), other securities, other Awards, or any combination thereof, as the Committee shall determine, the value of which consideration, as established by the Committee, shall, except in the case of Substitute Awards, not be less than the Fair Market Value of such Shares or other securities as of the date such purchase right is granted. If the Committee intends that Other Stock-Based Awards granted under this Section 10 shall constitute or give rise to “qualified performance-based compensation” under Section 162(m) of the Code, such Award shall be structured in accordance with the requirements of Section 9, including the performance criteria set forth herein.

(b) The Committee is authorized (i) to grant to a Participant Shares as a bonus, (ii) to grant Shares or other Awards in lieu of other obligations of the Company, any Subsidiary or any Affiliate to pay cash or to deliver other property under this Plan or under any other plans or compensatory arrangements of the Company, any Subsidiary or any Affiliate, (iii) to use available Shares as the form of payment for compensation, grants or rights earned or due under any other compensation plans or arrangements of the Company, any Subsidiary or an Affiliate, and (iv) subject to any restrictions on repricings, to grant as alternatives to or replacements of Awards granted or outstanding under the Plan or any other plan or arrangement of the Company, any Subsidiary or any Affiliate, subject to such terms as shall be determined by the Committee and the overall limitation on the number of Shares that may be issued under the Plan. Notwithstanding any other provision hereof, Shares or other securities delivered to a Participant pursuant to a purchase right granted under this Plan shall be purchased for consideration, the Fair Market Value of which shall not be less than the Fair Market Value of such Shares or other securities as of the date such purchase right is granted.

(c) The Committee also is authorized to grant to a Participant Cash Awards. The Committee shall determine the terms and conditions of any such Cash Awards. Cash Awards may be granted as an element of or a supplement to any other Award under the Plan or as a stand-alone Cash Award. The Committee, on the date of grant of Cash Awards, may prescribe that the Cash Awards will be earned and become payable subject to such conditions as are set forth in the Award Agreement. If and to the extent deemed necessary by the Committee, Cash Awards granted to members of the Executive Group shall become payable upon the satisfaction of objectively determinable performance conditions based on the criteria described in Section 9(d) and shall be subject to the other requirements set forth in Section 9 so as to enable such Cash Awards to qualify as “qualified performance-based compensation” under the regulations promulgated under Code Section 162(m). Notwithstanding any provision herein to the contrary, the Committee, in its sole discretion, may grant Cash Awards in payment of earned Awards and other compensation payable under the Plan or any other plans or compensatory arrangements of the Company, any Subsidiary or any Affiliate. Unless the Committee or the Award Agreement provides otherwise, Cash Awards shall be vested and payable upon the date of grant.

SECTION 11*. Effect of Termination of Employment on Awards.*

Except as otherwise provided by the Committee at the time an Option, SAR, Restricted Stock, Restricted Stock Unit, Performance Stock or Performance Unit is granted or in any amendment thereto, if a Participant ceases to be employed by the Company or any Affiliate, then:

(a) with respect to an Option or SAR:

(i) subject to Section 11(a)(ii), if termination is by reason of the Participant’s Retirement or by reason of the Participant’s permanent and total disability, each Option and SAR held by the Participant shall continue to remain outstanding and shall become or remain exercisable and in full force and effect in accordance with its terms until the expiration date of the Award;

(ii) if termination is by reason of the death of the Participant, or if the Participant dies after Retirement or permanent and total disability as referred to in Section 11(a)(i), each Option and SAR held by the Participant shall become fully exercisable at the time of the Participant’s death (or, if later, at the time of the one year anniversary of the Option or SAR grant date (as applicable)) and may be exercised by the Participant’s Beneficiary at any time within a period of three years after death (but not after the expiration date of the Award);

(iii) if termination of employment is for any reason other than as provided in Section 11(a)(i) or (ii), the Participant may exercise each Option and SAR held by the Participant within 90 days after such termination (but not after the expiration date of such Award) to the extent such Award was exercisable pursuant to its terms at the date of termination; *provided*, *however*, if the Participant should die within 90 days after such termination, each Option and SAR held by the Participant may be exercised by the Participant's Beneficiary at any time within a period of one year after death (but not after the expiration date of the Award) to the extent such Award was exercisable pursuant to its terms at the date of termination;

(b) with respect to Restricted Stock and Restricted Stock Units:

(i) subject to Section 11(b)(ii), if termination is by reason of the Participant's Retirement or permanent and total disability, each Restricted Stock Award and Restricted Stock Unit Award held by the Participant shall continue to remain outstanding and in full force and effect and any restrictions with respect to such Restricted Stock Award or Restricted Stock Unit Award (as applicable) shall lapse in accordance with the terms of the Award;

(ii) if termination is by reason of the Participant's death, or if the Participant dies after Retirement or permanent and total disability as referred to in Section 11(b)(i), any and all restrictions with respect to each Restricted Stock Award and Restricted Stock Unit Award held by the Participant shall lapse at the time of the Participant's death (or, if later, at the time of the one year anniversary of the Restricted Stock Award or Restricted Stock Unit Award (as applicable) grant date);

(iii) if termination of employment is by reason other than as provided in Section 11(b)(i) or (b)(ii), any Restricted Stock Award and Restricted Stock Unit Award held by the Participant that remains subject to restrictions shall be canceled as of such termination of employment and shall have no further force or effect;

(c) with respect to Performance Stock and Performance Units:

(i) if termination is by reason of the Participant's Retirement or permanent and total disability, each Performance Stock Award and Performance Unit Award held by the Participant shall remain outstanding and in full force and effect and any restrictions with respect to such Performance Stock Award or Performance Unit Award (as applicable) shall lapse in accordance with the terms of the Award regardless of whether the Participant dies during such period;

(ii) if termination of employment occurs prior to the expiration of any performance period applicable to a Performance Stock Award or Performance Unit Award (as applicable) and such termination is by reason of the

Participant's death, the Participant's Beneficiary shall be entitled to receive following the expiration of such performance period, a pro-rata portion of the number of Shares subject to the Performance Stock Award or Performance Unit Award (as applicable) with respect to which the restrictions would have otherwise lapsed notwithstanding the Participant's death, determined based on the number of days in the performance period that shall have elapsed prior to such termination and the remainder of such Performance Stock Award or Performance Unit Award (as applicable) shall be canceled; and

(iii) if termination of employment occurs prior to the expiration of any performance period applicable to a Performance Stock Award or Performance Unit Award and such termination is for any reason other than as provided in Section 11(c)(i) or (ii), any Performance Stock Award and any Award of Performance Units held by the Participant shall be canceled as of such termination of employment and shall have no further force or effect.

SECTION 12 . *General Provisions Applicable to Awards.*

(a) Awards shall be granted for no cash consideration or for such minimal cash consideration as may be required by applicable law.

(b) Awards may, in the discretion of the Committee, be granted either alone or in addition to or in tandem with any other Award or any award granted under any other plan of the Company. Awards granted in addition to or in tandem with other Awards, or in addition to or in tandem with awards granted under any other plan of the Company, may be granted either at the same time as or at a different time from the grant of such other Awards or awards.

(c) Subject to the terms of the Plan, payments or transfers to be made by the Company upon the grant, exercise or payment of an Award may be made in the form of cash, Shares, other securities or other Awards, or any combination thereof, as determined by the Committee in its discretion at the time of grant, and may be made in a single payment or transfer, in installments, or on a deferred basis, in each case in accordance with rules and procedures established by the Committee. Such rules and procedures may include, without limitation, provisions for the payment or crediting of reasonable interest on installment or deferred payments or the grant or crediting of dividend equivalents in respect of installment or deferred payments.

(d) No Award and no right under any Award shall be assignable, alienable, saleable or transferable by a Participant otherwise than by will or pursuant to Section 12(e). Each Award, and each right under any Award, shall be exercisable during the Participant's lifetime only by the Participant or, if permissible under applicable law, by the Participant's guardian or legal representative. The provisions of this paragraph shall not apply to any Award which has been fully exercised, earned or paid, as the case may be, and shall not preclude forfeiture of an Award in accordance with the terms thereof. Notwithstanding the foregoing, an Award exempt from the requirements of Section 409A of the Code other than an Incentive Stock Option may, in the sole discretion of the Committee, be transferable or assignable to a permitted transferee, upon written approval by the Committee. For purposes of this Section 12(d), a "permitted transferee" means a member of the Participant's immediate family (child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships), a trust in which these persons (or the Participant) have more than 50% of the beneficial interest, a foundation in which these persons (or the Participant) control the management of assets, any other entity in which these persons (or the Participant) own more than 50% of the voting interests, and such other transferees as may be permitted by the Committee in its sole discretion.

(e) A Participant may designate a Beneficiary or change a previous beneficiary designation at such times prescribed by the Committee by using forms and following procedures approved or accepted by the Committee for that purpose. If no Beneficiary designated by the Participant is eligible to receive payments or other benefits or exercise rights that are available under the Plan at the Participant’s death, the Beneficiary shall be the Participant’s estate.

(f) All certificates for Shares or other securities delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which such Shares or other securities are then listed, and any applicable Federal or state securities laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(g) Unless specifically provided to the contrary in any Award Agreement, upon a Change in Control, (i) all Awards shall become fully exercisable, shall vest and shall be settled, as applicable, and any restrictions applicable to any Award shall automatically lapse and (ii) all Performance Stock Awards and Performance Unit Awards shall be considered to be earned at their target level; any restrictions with respect to the target number of Shares subject to a Performance Stock Award and Performance Unit Award shall lapse and any remaining Shares subject to such Performance Stock Award and Performance Unit Award shall be cancelled and shall have no further force or effect.

(h) Notwithstanding any provision of the Plan providing for the maximum term of an Award, in the event any Award would expire prior to exercise, vesting or settlement because trading in Shares is prohibited by law or by any insider trading policy of the Company, the term of the Award shall automatically be extended until thirty (30) days after the expiration of any such prohibitions to permit the Participant to realize the value of the Award, provided such extension with respect to the applicable Award (i) is permitted by law, (ii) does not result in a violation of Section 409A with respect to the Award, (iii) permits any Award that is intended to constitute “qualified performance-based compensation” within the meaning of Section 162(m) of the Code to continue to so qualify and (iv) does not otherwise adversely impact the tax consequences of the

Award (such as for incentive stock options and related Awards). An Award Agreement may provide that the Award will be automatically, and without any action by the Participant, deemed exercised, by means of a “net exercise” procedure, immediately prior to the expiration of the Award if the then Fair Market Value of the underlying shares of Common Stock at that time exceeds the exercise or purchase price or base value of the Award, in order to permit the Participant to realize the value of the Award.

SECTION 13*. Amendments and Termination.*

(a) Except to the extent prohibited by applicable law and unless otherwise expressly provided in an Award Agreement or in the Plan, the Board may amend, alter, suspend, discontinue, or terminate the Plan or any portion thereof at any time; *provided, however,* that no such amendment, alteration, suspension, discontinuation or termination shall be made without (i) shareholder approval if such approval is required by the listed company rules of the New York Stock Exchange or (ii) the consent of the affected Participant, if such action would adversely affect the rights of such Participant under any outstanding Award, except to the extent any such amendment, alteration, suspension, discontinuance or termination is made to cause the Plan to comply with applicable law, stock exchange rules and regulations or accounting or tax rules and regulations. Notwithstanding anything to the contrary herein, the Committee may amend the Plan in such manner as may be necessary to enable the Plan to achieve its stated purposes in any jurisdiction in a tax-efficient manner and in compliance with local rules and regulations.

(b) The Committee may waive any conditions or rights under, amend any terms of, or amend, alter, suspend, discontinue or terminate, any Award theretofore granted, prospectively or retroactively, without the consent of any relevant Participant or holder or beneficiary of an Award, *provided, however,* that no such action shall impair the rights of any affected Participant or holder or beneficiary under any Award theretofore granted under the Plan, except to the extent any such action is made to cause the Plan to comply with applicable law, stock exchange rules and regulations or accounting or tax rules and regulations; and *provided further* that, except as provided in Section 5(d), no such action shall directly or indirectly, through cancellation and regrant or any other method, reduce, or have the effect of reducing, the exercise price of any Award established at the time of grant thereof and *provided further*, that the Committee’s authority under this Section 13(b) is limited in the case of Awards subject to Section 9(d), as set forth in Section 9(d).

(c) Except as noted in Section 9(d), the Committee shall be authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of events (including, without limitation, the events described in Section 5(d)) affecting the Company, or the financial statements of the Company, or of changes in applicable laws, regulations or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

(d) The Committee may correct any defect, supply any omission, or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem desirable to carry the Plan into effect.

SECTION 14. *Miscellaneous.*

(a) No employee, Participant or other person shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of employees, Participants, or holders or beneficiaries of Awards under the Plan. The terms and conditions of Awards need not be the same with respect to each recipient.

(b) The Company shall be authorized to withhold from any Award granted or any payment due or transfer made under any Award or under the Plan or from any compensation or other amount owing to a Participant the amount (in cash, Shares (actually or by attestation or by withholding by the Company), other securities or other Awards) of withholding taxes due in respect of an Award, its exercise, or any payment or transfer under such Award or under the Plan and to take such other action (including, without limitation, providing for elective payment of such amounts in cash or Shares by the Participant as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes.

(c) Nothing contained in the Plan shall prevent the Company from adopting or continuing in effect other or additional compensation arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.

(d) The grant of an Award shall not be construed as giving a Participant the right to be retained in the employ of the Company or any Affiliate. Further, the Company or the applicable Affiliate may at any time dismiss a Participant from employment, free from any liability, or any claim under the Plan, unless otherwise expressly provided in the Plan or in any Award Agreement or in any other agreement binding the parties. The receipt of any Award under the Plan is not intended to confer any rights on the receiving Participant except as set forth in such Award.

(e) If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, or as to any person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, person or Award, and the remainder of the Plan and any such Award shall remain in full force and effect.

(f) Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other person. To the extent that any person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company.

(g) No fractional Shares shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash or other securities shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be canceled, terminated or otherwise eliminated.

SECTION 15*. Effective Date of the Plan.*

This Plan is effective on the date of its adoption by the Board, contingent on the approval of the Plan by the Company's stockholders within twelve (12) months after such date. Awards, other than Restricted Stock or outright grants of shares on Common Stock, may be granted under this Plan on and after the effective date, provided that no such Award shall become exercisable, vested, earned or payable unless the Company's stockholders approve the Plan within twelve (12) months after the Board's adoption of the Plan. Restricted Stock and outright grants of shares of Common Stock may only be granted after the Company's stockholders approve the Plan.

SECTION 16. *Term of the Plan.*

No Award shall be granted under the Plan after February 21, 2023. However, unless otherwise expressly provided in the Plan or in an applicable Award Agreement, any Award theretofore granted may extend beyond such date, and the authority of the Committee to amend, alter, adjust, suspend, discontinue, or terminate any such Award, or to waive any conditions or rights under any such Award, and the authority of the Board to amend the Plan, shall extend beyond such date.

SECTION 17*. Section 409A of the Code.*

(a) With respect to Awards subject to Section 409A of the Code (including Awards of Restricted Stock Units held by Participants who are or who may become eligible for Retirement during the term of the Award), the Plan is intended to comply with the requirements of Section 409A of the Code, and the provisions of the Plan and any Award Agreement shall be interpreted in a manner that satisfies the requirements of Section 409A of the Code, and the Plan shall be operated accordingly. If any provision of the Plan or any term or condition of any Award would otherwise frustrate or conflict with this intent, the provision, term or condition will be interpreted and deemed amended so as to avoid this conflict.

(b) With respect to Awards subject to Section 409A of the Code (including Awards of Restricted Stock Units held by Participants who are or who may become eligible for Retirement during the term of the Award), notwithstanding Section 12(g) and unless specifically provided to the contrary in the applicable Award Agreement, in the event of a Change in Control, this paragraph 17(b) shall apply and shall supersede the provisions of Section 12(g) to the extent inconsistent therewith.

(i) If at the time of such Change in Control, the transaction(s) constituting such Change in Control do not constitute a change in the ownership or effective control of a corporation, or change in the ownership of a substantial portion of the assets of a corporation, as such terms are defined for purposes of Section 409A of the Code, any portion of the Award as to which the settlement date has not theretofore occurred shall remain outstanding and shall be settled on the applicable date(s) as specified in the Award Agreement.

(ii) If the provisions of Section 17(b)(i) are invoked such that a Change in Control occurs and any portion of the Award continues to be outstanding thereafter, the value of the Award that remains outstanding shall be determined based on the value per common share of the Company implied by the Change in Control transaction and such value shall be paid in cash without interest on the applicable settlement date(s) for such Award, as specified in the Award Agreement.

(c) With respect to Awards subject to Section 409A of the Code (including Awards of Restricted Stock Units held by Participants who are or who may become eligible for Retirement during the term of the Award), if, at the time of the Participant's separation from service (within the meaning of Section 409A of the Code), (i) the Participant shall be a specified employee (within the meaning of Section 409A of the Code and using the identification methodology selected by the Company from time to time) and (ii) the Company shall make a good faith determination that an amount payable pursuant to an Award Agreement constitutes deferred compensation (within the meaning of Section 409A of the Code) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A of the Code in order to avoid taxes or penalties under Section 409A of the Code, then the Company (or an Affiliate, as applicable) shall not pay any such amount on the otherwise scheduled payment date but shall instead accumulate such amount and pay it, without interest, on the first day of the seventh month following such separation from service or, if earlier, the date of death of the Participant.

(d) With respect to Awards subject to Section 409A of the Code (including Awards of Restricted Stock Units held by Participants who are or who may become eligible for Retirement during the term of the Award), neither the Participant nor any creditor or beneficiary of the Participant shall have the right to subject any deferred compensation (within the meaning of Section 409A of the Code) payable under the Award Agreement to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A of the Code, any deferred compensation (within the meaning of Section 409A of the Code) payable to or for the benefit of a Participant pursuant to an Award Agreement may not be reduced by, or offset against, any amount owing by the Participant to the Company (or an Affiliate, as applicable).

SECTION 18. *Re-Pricing Prohibition*.

Notwithstanding any other provisions of this Plan, except for adjustments pursuant to Section 5(f) or to the extent approved by the Company's shareholders and consistent with the rules of any stock exchange on which the Company's securities are traded, this Plan does not permit (a) any decrease in the exercise or purchase price or base value of any outstanding Awards, (b) the issuance of any replacement Options, SARs or Other Stock-Based Awards in the nature of purchase rights where the Participant agrees to forfeit an existing Option, SAR or Other Stock-Based Award in the nature of purchase rights in exchange for the new Option, SAR or Other Stock-Based Award in the nature of purchase rights with a lower exercise or purchase price or base value, (c) the Company to repurchase underwater or out-of-the-money Options, SARs or Other Stock-Based Awards in the nature of purchase rights, which shall be deemed to be those Options, SARs or Other Stock-Based Awards in the nature of purchase rights with exercise or purchase prices or base values in excess of the current Fair Market Value of the Shares underlying the Option, SAR or Other Stock-Based Award in the nature of purchase rights, (d) the issuance of any replacement or substitute Awards or the payment of cash in exchange for, or in substitution of, underwater or out-of-the-money Options, SARs or Other Stock-Based Awards in the nature of purchase rights, or (e) any other action that is treated as a re-pricing under generally accepted accounting principles.

**The Brink’s Company**

Richmond, Virginia

# 2017 Equity Incentive Plan

Effective as of May 5, 2017 and as
Amended and Restated effective May 2, 2019

**THE BRINK'S COMPANY**

**2017 EQUITY INCENTIVE PLAN**
**(Effective as of May 5, 2017 and**
**as Amended and Restated Effective May 2, 2019)**

SECTION 1. *Purpose.*

The purpose of The Brink's Company 2017 Equity Incentive Plan (effective as of May 5, 2017 and as amended and restated effective May 2, 2019) is to:

- motivate and reward individuals for the accomplishment of long-term financial goals intended to increase shareholder value;
- enhance retention of individuals who drive sustained performance;
- align management and shareholder interests by providing key employees with an opportunity to acquire an equity interest in The Brink's Company;
- attract and retain the services of experienced independent directors for The Brink's Company by encouraging them to acquire a proprietary interest in the Brink's Company in the form of shares of The Brink's Company common stock; and
- act as the successor plan to both The Brink's Company 2013 Equity Incentive Plan (effective as of February 22, 2013) and The Brink's Company Non-Employee Directors' Equity Plan (amended and restated as of July 12, 2012).

SECTION 2. *Definitions*.

As used in the Plan, the following terms shall have the meanings set forth below:

(a) "**Act**" shall mean the Securities Exchange Act of 1934, as amended.

(b) "**Affiliate**" shall mean (i) any entity that, directly or indirectly, is controlled by or under common control with the Company and (ii) any entity in which the Company has a significant equity interest, in either case as determined by the Committee (including any entity that becomes an Affiliate hereafter).

(c) "**Award**" shall mean any Option, Stock Appreciation Right, award of Restricted Stock or Restricted Stock Unit, award of Performance Stock or Performance Unit, Other Stock-Based or Cash Award granted under the Plan. Each Award shall be evidenced by an Award Agreement.

(d) "**Award Agreement**" shall mean any written or electronic agreement, contract or other instrument or document evidencing any Award granted under the Plan, which may, but need not, be executed or acknowledged by a Participant. Each Award Agreement shall be subject to the terms and conditions of the Plan.

(e) "**Beneficiary**" shall mean a person or persons entitled to receive payments or other benefits or exercise rights that are available under the Plan in the event of the Participant's death.

(f) "**Board**" shall mean the board of directors of the Company.

(g) "**Cause**" shall mean, unless otherwise set forth in the Award Agreement, with respect to any Participant, (a) embezzlement, theft or misappropriation by the Participant of any property of the Company, (b) the Participant's willful breach of any fiduciary duty to the Company, (c) the Participant's willful failure or refusal to comply with laws or regulations applicable to the Company and its business or the policies of the Company governing the conduct of its employees, (d) the Participant's gross incompetence in the performance of the Participant's job duties, (e) commission by the Participant of a felony or of any crime involving moral turpitude, fraud or misrepresentation, (f) the failure of the Participant to perform duties consistent with a commercially reasonable standard of care, (g) conduct that results in or is reasonably likely to result in material harm to the reputation or business of the Company or any of its Affiliates, (h) material violation of state or federal securities laws, or (i) any gross negligence or willful misconduct of the Participant resulting in a loss to the Company.

(h) "**Cash Award**" shall mean an Award, granted pursuant to Section 10, stated with reference to a specified dollar amount which, subject to such terms and conditions as may be prescribed by the Committee, entitles the Participant to receive cash from the Company or an Affiliate.

(i) "**Change in Control**" shall mean, except as otherwise specified in Section 17, the occurrence of:

(i) consummation of (A) any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation or pursuant to which the Shares would be converted into cash, securities or other property other than a consolidation or merger in which a majority of the holders of the total voting power in the election of directors of the Company of Shares outstanding (exclusive of shares held by the Company's Affiliates) (the "**Total Voting Power**") immediately prior to the consolidation or merger will have the same proportionate ownership of the total voting power in the election of directors of the surviving corporation immediately after the consolidation or merger, or (B) any sale, leases, exchange or other transfer (in one transaction or a series of transactions) of all or substantially all the assets of the Company to any entity that is not a subsidiary of the Company;

(ii) any "person" (as defined in Section 13(d) of the Act) other than the Company, its Affiliates or an employee benefit plan or trust maintained by the Company or its affiliates, becoming the "beneficial owner" (as defined in Rule

13d-3 under the Act), directly or indirectly, of more than 20% of the Total Voting Power; or

(iii) at any time during a period of two consecutive years, individuals who at the beginning of such period constituted the Board ceasing for any reason to constitute at least a majority thereof, provided that any individual becoming a director subsequent to the effective date of the Plan whose election or nomination for election was approved by a vote of at least two-thirds of the directors comprising the Board at the beginning of the two year period shall be considered as though such director was a member of the Board at the beginning of the two year period, but excluding for this purposes any director whose initial assumption of office occurred as a result of an actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board.

(j) "**Code**" shall mean the Internal Revenue Code of 1986, as amended from time to time. Any reference to a section of the Code shall be deemed to include a reference to any regulations promulgated thereunder.

(k) "**Committee**" shall mean the Compensation and Benefits Committee of the Board or such other committee as may be designated by the Board, provided that, with respect to Directors eligible for Awards pursuant to Section 3(b), the Committee shall be the Board.

(l) "**Company**" shall mean The Brink's Company.

(m) "**Company Deferred Compensation Program**" shall mean The Brink's Company Key Employees' Deferred Compensation Program, as amended from time to time.

(n) "**Director**" shall mean a non-employee member of the Board.

(o) "**DSAP**" shall mean The Brink's Company Directors' Stock Accumulation Plan, amended and restated as of July 12, 2012.

(p) "**Executive Group**" shall mean every person who is expected by the Committee to be both (i) a "covered employee" as defined in Section 162(m) of the Code as of the end of the taxable year in which payment of the Award may be deducted by the Company, and (ii) the recipient of compensation of more than $1,000,000 (as such number appearing in Section 162(m) of the Code may be adjusted by any subsequent legislation) for that taxable year.

(q) "**Fair Market Value**" shall mean with respect to Shares, the closing price of a share of such common stock on the date in question (or, if there is no reported sale on such date, on the last preceding date on which any reported sale occurred) on the New York Stock Exchange Composite Transactions Tape or with respect to any property other than Shares, the fair market value of such property determined by such methods or procedures as shall be established from time to time by the Committee.

(r) "**Incentive Stock Option**" shall mean an option representing the right to purchase Shares from the Company, granted under and in accordance with the terms of Section 6, that meets the requirements of Section 422 of the Code, or any successor provision thereto.

(s) "**Non-Qualified Stock Option**" shall mean an option representing the right to purchase Shares from the Company, granted under and in accordance with the terms of Section 6, that is not an Incentive Stock Option.

(t) "**Option**" shall mean an Incentive Stock Option or a Non-Qualified Stock Option.

(u) "**Other Stock-Based Award**" shall mean any right granted under Section 10.

(v) "**Participant**" shall mean an individual granted an Award under the Plan.

(w) "**Performance Stock**" shall mean any Share granted under Section 9.

(x) "**Performance Unit**" means a contractual right, granted pursuant to Section 9, that is denominated in Shares. Each Performance Unit represents a right to receive the value of one Share (or a percentage of such value) in cash, Shares or a combination thereof. Awards of Performance Units may include the right to receive dividend equivalents.

(y) "**Plan**" shall mean The Brink's Company 2017 Equity Incentive Plan (effective as of May 5, 2017 and as amended and restated effective May 2, 2019).

(z) "**Prior Plans**" shall mean The Brink's Company 2013 Equity Incentive Plan (effective as of February 22, 2013) and The Brink's Company Non-Employee Directors' Equity Plan (amended and restated as of July 12, 2012).

(aa) "**Restricted Stock**" shall mean any Share granted under Section 8.

(bb) "**Restricted Stock Unit**" means a contractual right, granted pursuant to Section 8, that is denominated in Shares. Each Restricted Stock Unit represents a right to receive the value of one Share (or a percentage of such value) in cash, Shares or a combination thereof. Awards of Restricted Stock Units may include the right to receive dividend equivalents.

(cc) "**Retirement**" shall mean, unless otherwise set forth in the Award Agreement, with respect to any Participant, any termination of the Participant's employment on or after the date on which the Participant has (i) attained age 65 and completed at least five years of service with the Company or any of its Subsidiaries or (ii) attained age 55 and completed at least ten years of service with the Company or any of its Subsidiaries; *provided* that the Participant's employment is not terminated for Cause. Notwithstanding the foregoing, with regards to any Director eligible to receive an Award pursuant to Section 3(b) of the Plan, "Retirement" shall mean termination of service on or after the date the Participant has attained age 65 and completed at least five years of service on the Board.

(dd) "**SAR**" or "**Stock Appreciation Right**" shall mean any right granted to a Participant pursuant to Section 7 to receive, upon exercise by the Participant, the excess of (i) the Fair Market Value of one Share on the date of exercise or at any time during a specified period after the date of grant and before the date of exercise over (ii) the grant price of the right on the date of grant, or if granted in connection with an outstanding Option on the date of grant of the related Option, as specified by the Committee in its sole discretion, which, except in the case of Substitute Awards or in connection with an adjustment provided in Section 5(d), shall not be less than the Fair Market Value of one Share on such date of grant of the right or the exercise price of the related Option, as the case may be.

(ee) "**Shares**" shall mean shares of the common stock of the Company.

(ff) "**Subsidiary**" shall mean any corporation of which stock representing at least 50% of the ordinary voting power is owned, directly or indirectly, by the Company (including any entity that becomes a Subsidiary hereafter).

(gg) "**Substitute Awards**" shall mean Awards granted in assumption of, or in substitution for, outstanding awards previously granted by a company acquired by the Company or any Subsidiary or Affiliate or with which the Company or any Subsidiary or Affiliate combines.

SECTION 3*. Eligibility.*

(a) Any individual who is employed by the Company, any Subsidiary or any Affiliate, including any officer-director, shall be eligible to be selected to receive an Award under the Plan.

(b) Directors who are not full-time or part-time officers or employees shall be eligible to receive Awards under the Plan.

(c) Holders of options and other types of Awards granted by a company acquired by the Company, any Subsidiary or any Affiliate or with which the Company, any Subsidiary or any Affiliate combines are eligible for grant of Substitute Awards hereunder.

SECTION 4*. Administration.*

(a) The Plan shall be administered by the Committee. The Committee shall be appointed by the Board and shall consist of not less than three directors, each of whom shall be independent, within the meaning of and to the extent required by applicable rulings and interpretations of the New York Stock Exchange and the Securities and Exchange Commission, and each of whom shall be a “Non-Employee Director”, as defined from time to time for purposes of Section 16 of the Act and the rules promulgated thereunder and shall satisfy the requirements for an outside director pursuant to Section 162(m) of the Code, and any regulations issued thereunder. The Board may designate one or more directors as alternate members of the Committee who may replace any absent or disqualified member at any meeting of the Committee. The Committee may issue rules and regulations for administration of the Plan. It shall meet at such times and places as it may determine. Notwithstanding the foregoing, with respect to Directors eligible for Awards pursuant to Section 3(b), the Committee shall be the Board.

(b) Subject to the terms of the Plan and applicable law, the Committee shall have full power and authority to: (i) designate Participants; (ii) determine the type or types of Awards (including Substitute Awards) to be granted to each Participant under the Plan; (iii) determine the number of Shares to be covered by (or with respect to which payments, rights, or other matters are to be calculated in connection with) Awards; (iv) determine the terms and conditions of any Award; (v) determine whether, to what extent, and under what circumstances Awards may be settled or exercised in cash, Shares, other securities, or other Awards, or canceled, forfeited or suspended, and the method or methods by which Awards may be settled, exercised, canceled, forfeited or suspended; (vi) determine whether, to what extent, and under what circumstances cash, Shares, other securities, other Awards, and other amounts payable with respect to an Award under the Plan shall be deferred either automatically or at the election of the holder thereof or of the Committee; (vii) accelerate the vesting, settlement or payment of an Award; (viii) interpret and administer the Plan and any instrument or agreement relating to, or Award made under, the Plan; (ix) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; (x) authorize any person to execute, on behalf of the Company, any instrument required to carry out the purposes of the Plan; (xi) determine the duration and purpose of leaves of absences which may be granted to a Participant without constituting termination of their employment for the purposes of the Plan, which periods shall be no shorter than the periods generally applicable to employees under the Company’s employment policies; (xii) make decisions with respect to outstanding Awards that may become necessary upon a change in corporate control or an event that triggers anti-dilution adjustments; (xiii) interpret, administer or reconcile any inconsistency in, correct any defect in and/or supply any omission in the Plan and any instrument or agreement relating to, or Award granted under, the Plan; and (xiv) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan.

(c) All decisions of the Committee shall be final, conclusive and binding upon all parties, including the Company, the shareholders and the Participants, unless such decisions are determined by a court having jurisdiction to be arbitrary and capricious.

(d) In addition to such other rights of indemnification as they may have as directors or members of the Committee or the Board, and to the extent allowed by requirements related to or implicated by the administration of the Plan under applicable state corporate laws, United States federal and state security laws, the Code and any stock exchange or quotation system on which the Shares are listed or quoted, and the applicable laws of any foreign country or jurisdiction where Awards are granted under the Plan, the Committee and the Board shall be indemnified by the Company against the reasonable expenses, including attorney's fees, actually incurred in connection with any action, suit or proceeding or in connection with any appeal therein, to which the Committee or the Board may be party by reason of any action taken or failure to act under or in connection with the Plan or any Award granted under the Plan, and against all amounts paid by the Committee or the Board in settlement thereof (*provided, however*, that the settlement has been approved by the Company, which approval shall not be unreasonably withheld) or paid by the Committee or the Board in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Committee or the Board did not act in good faith and in a manner which such person reasonably believed to be in the best interests of the Company, or in the case of a criminal proceeding, had no reason to believe that the conduct complained of was unlawful; *provided, however*, that within 60 days after institution of any such action, suit or proceeding, such Committee or the Board shall, in writing, offer the Company the opportunity at its own expense to handle and defend such action, suit or proceeding.

SECTION 5. *Shares Available for Issuance.*

(a) Subject to adjustment as provided in this Section 5, a total of 6,500,000 Shares shall be authorized for Awards granted under the Plan, plus the additional Shares that again become available for grant under Sections 5(b) and 5(c) below, less one (1) Share for every one (1) Share that was subject to an option or stock appreciation right granted on or after March 1, 2017 under any Prior Plan and less 2 Shares for every one (1) Share that was subject to an award other than an option or stock appreciation right granted on or after March 1, 2017 under any Prior Plan (the “Maximum Share Limit”). Any Shares that are subject to Options or Stock Appreciation Rights shall be counted against this limit as one (1) Share for every one (1) Share granted and any Shares that are subject to Awards other than Options of Stock Appreciation Rights shall be counted against this limit as 2 Shares for every one (1) Share granted. After the Company’s shareholders approve the Plan, no further awards may be granted under the Prior Plans. Shares up to the Maximum Share Limit may be subject to Options and Stock Appreciation Rights under the Plan, provided that no more than 5,000,000 Shares may be subject to Incentive Stock Options.

(b) If (i) any Shares subject to an Award are forfeited, an Award expires or otherwise terminates without issuance of Shares, or an Award is settled for cash (in whole or in part) or otherwise does not result in the issuance of all or a portion of the Shares subject to such Award (including on payment in Shares on exercise of a Stock Appreciation Right), such Shares shall, to the extent of such forfeiture, expiration, termination, cash settlement or non-issuance, again be available for grant under the Plan in accordance with Section 5(d) below or (ii) after February 28, 2017 any Shares subject to an award under any Prior Plan are forfeited, an award under any Prior Plan expires or otherwise terminates without issuance of such Shares, or an award under any Prior Plan is settled for cash (in whole or in part), or otherwise does not result in the issuance of all or a portion of the Shares subject to such award (including on payment in Shares on exercise of a Stock Appreciation Right), then in each such case the Shares subject to the Award or award under any Prior Plan shall, to the extent of such forfeiture, expiration, termination, cash settlement or non-issuance, again be available for grant under the Plan in accordance with Section 5(d) below.

(c) In the event that (i) any Option or other Award granted hereunder is exercised through the tendering of Shares (either actually or by attestation) or by the withholding of Shares by the Company, or (ii) withholding tax liabilities arising from such Option or other Award are satisfied by the tendering of Shares (either actually or by attestation) or by the withholding of Shares by the Company, then in each such case the Shares so tendered or withheld shall again be available for grant under the Plan in accordance with Section 5(d) below. In the event that after February 28, 2017 (i) any option or award under any Prior Plan is exercised through the tendering of Shares (either actually or by attestation) or by the withholding of Shares by the Company, or (ii) withholding tax liabilities arising from such options or awards are satisfied by the tendering of Shares (either actually or by attestation) or by the withholding of Shares by the Company, then in each such case the Shares so tendered or withheld shall be available for grant under the Plan in accordance with Section 5(d) below.

(d) Any shares that again become available for Awards under the Plan pursuant to this Section shall be added as (i) one (1) Share subject to Options or Stock Appreciation Rights granted under the Plan or options or stock appreciation rights granted under any Prior Plan, and (ii) as two (2) Shares for every one (1) Share subject to Awards other than Options or Stock Appreciation Rights granted under the Plan or awards other than options or stock appreciation rights granted under any Prior Plan.

(e) Substitute Awards shall not reduce the Shares authorized for grant under the Plan or the applicable limitations on grants to a Participant under Section 5(g) and Section 9(d), nor shall Shares subject to a Substitute Award again be available for Awards under the Plan as provided in paragraphs (b) and (c) above. Additionally, in the event that a company acquired by the Company or any Affiliate or with which the Company or any Affiliate combines has shares available under a pre-existing plan approved by shareholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not reduce the Shares authorized for grant under the Plan (and Shares subject to such Awards shall not again be available for Awards under the Plan as provided in paragraphs (b) and (c) above); provided that Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not employees prior to such acquisition or combination.

(f) Any Shares issued hereunder may consist, in whole or in part, of authorized and unissued shares or shares purchased in the open market or otherwise.

(g) In the event that the Committee shall determine that any dividend (other than an ordinary cash dividend) or other distribution (whether in the form of cash, Shares or other securities), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company, or other similar corporate transaction or event affects the Shares such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, in such manner as it may deem equitable, make any such substitution or adjustments as it, in its sole discretion, deems appropriate and equitable, which may include, without limitation, adjustments to any or all of (i) the number and type of Shares (or other securities) which thereafter may be made the subject of Awards, including the aggregate and individual limits specified in Section 5(a) and Section 9(d), (ii) the number and type of Shares (or other securities) subject to outstanding Awards and any performance condition applicable to outstanding Awards, and (iii) the grant, purchase, or exercise price with respect to any Award or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award; *provided, however*, that the number of Shares subject to any Award denominated in Shares shall always be a whole number and that dividends shall be subject to the same vesting requirements of the underlying Award.

SECTION 6*. Options.*

The Committee is hereby authorized to grant Options to Participants with the following terms and conditions and with such additional terms and conditions, in either case not inconsistent with the provisions of the Plan, as the Committee shall determine:

(a) The purchase price per Share under an Option shall be determined by the Committee; *provided*, *however*, that, except in the case of Substitute Awards, such purchase price shall not be less than the Fair Market Value of a Share on the date of grant of such Option. In no event shall dividends or dividend equivalents be paid with respect to Options.

(b) The term of each Option shall be fixed by the Committee but shall not exceed 6 years from the date of grant thereof.

(c) The Committee shall determine the time or times at which an Option may be exercised in whole or in part; *provided*, *however*, that, except in the event of a Change in Control, an Option shall not be exercisable before the expiration of one year from the date the Option is granted. Notwithstanding the foregoing, with regards to any Director eligible to receive an Award pursuant to Section 3(b) of the Plan, an Option shall not be exercisable before the expiration of six months from the date the Option is granted.

(d) The Committee shall determine the method or methods by which, and the form or forms, including, without limitation, cash, Shares (either actually or by attestation or by withholding by the Company), other Awards, or any combination thereof, having a Fair Market Value on the exercise date equal to the relevant exercise price, in which, payment of the exercise price with respect thereto may be made or deemed to have been made.

(e) The terms of any Incentive Stock Option granted under the Plan shall comply in all respects with the provisions of Section 422 of the Code, or any successor provision thereto, and any regulations promulgated thereunder. Without limiting the foregoing, Incentive Stock Options shall only be granted to employees of the Company or a Subsidiary and the aggregate Fair Market Value (determined at the time of grant) of Shares with respect to which Incentive Stock Options are exercisable for the first time by any Participant during any calendar year shall not exceed $100,000. An Incentive Stock Option shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the Participant only by the Participant. A ten percent shareholder of the Company shall not be granted an Incentive Stock Option unless the Option exercise price is at least 110% of the Fair Market Value of the Shares at the grant date and the Option is not exercisable after the expiration of five years from the grant date.

(f) Options shall not be granted under the Plan in consideration for and shall not be conditioned upon the delivery of Shares to the Company in payment of the exercise price and/or tax withholding obligation under any other employee stock option.

(g) Sections 9 and 11 set forth certain additional provisions that shall apply to Options.

SECTION 7. *Stock Appreciation Rights*.

(a) The Committee is hereby authorized to grant Stock Appreciation Rights (“**SARs**”) to Participants with terms and conditions as the Committee shall determine not inconsistent with the provisions of the Plan.

(b) SARs may be granted hereunder to Participants either alone (“**freestanding**”) or in addition to other Awards granted under the Plan (“**tandem**”) and may, but need not, relate to a specific Option granted under Section 6.

(c) Any tandem SAR related to an Option may be granted at the same time such Option is granted or at any time thereafter before exercise or expiration of such Option. In the case of any tandem SAR related to any Option, the SAR or applicable portion thereof shall not be exercisable until the related Option or applicable portion thereof is exercisable and shall terminate and no longer be exercisable upon the termination or exercise of the related Option, except that a SAR granted with respect to less than the full number of Shares covered by a related Option shall not be reduced until the exercise or termination of the related Option exceeds the number of Shares not covered by the SAR. Any Option related to any tandem SAR shall no longer be exercisable to the extent the related SAR has been exercised.

(d) A freestanding SAR shall not have a term of greater than 6 years or, unless it is a Substitute Award, an exercise price less than 100% of Fair Market Value of the Share on the date of grant and, except in the event of a Change in Control, shall not be exercisable before the expiration of one year from the date the SAR is granted. Notwithstanding the foregoing, with regards to any Director eligible to receive a freestanding SAR pursuant to Section 3(b) of the Plan, a freestanding SAR shall not, in the event of a Change in Control, be exercisable before the expiration of six months from the date the SAR is granted. In no event shall dividends or dividend equivalents be paid with respect to SARs.

(e) Sections 9 and 11 set forth certain additional provisions that shall apply to SARs.

SECTION 8. *Restricted Stock and Restricted Stock Units*.

(a) Each Award of Restricted Stock or Restricted Stock Units granted under the Plan shall be evidenced by an Award Agreement. The Committee is hereby authorized to grant Awards of Restricted Stock and Restricted Stock Units to Participants.

(b) Shares of Restricted Stock and Restricted Stock Units shall be subject to such restrictions as the Committee may impose (including, without limitation, any limitation on the right to vote a Share of Restricted Stock or the right to receive any dividend or other right), which restrictions may lapse separately or in combination at such time or times, in such installments or otherwise, as the Committee may deem appropriate; *provided, however*, that subject to Section 12(g), Restricted Stock and Restricted Stock Units shall have a vesting period of not less than one year. Notwithstanding the foregoing, with regards to any Director eligible to receive an Award pursuant to Section 3(b) of the Plan (and subject to Section 12(g)), Restricted Stock and Restricted Stock Units shall have a vesting period of not less than six months.

(c) Any Share of Restricted Stock granted under the Plan may be evidenced in such manner as the Committee may deem appropriate including, without limitation, book-entry registration or issuance of a stock certificate or certificates. In the event any stock certificate is issued in respect of Shares of Restricted Stock granted under the Plan, such certificate shall be registered in the name of the Participant and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock.

(d) The Committee may in its discretion, when it finds that a waiver would be in the best interests of the Company, waive in whole or in part any or all restrictions with respect to Shares of Restricted Stock and Restricted Stock Units; *provided*, that the Committee may not waive the restriction in the proviso of Section 8(b).

(e) If the Committee intends that an Award granted under this Section 8, shall constitute or give rise to “qualified performance based compensation” under Section 162(m) of the Code, such Award may be structured in accordance with the requirements of Section 9, including the performance criteria set forth therein, and any such Award shall be considered an Award of Performance Stock or Performance Units, as applicable, for purposes of the Plan.

(f) Section 11 sets forth certain additional provisions that shall apply to Restricted Stock and Restricted Stock Units.

SECTION 9. *Performance Stock and Performance Units.*

(a) The Committee is hereby authorized to grant Awards of Performance Stock and Performance Units to Participants.

(b) Subject to the terms of the Plan, Shares of Performance Stock and Performance Units shall be subject to such restrictions as the Committee may impose (including, without limitation, any limitation on the right to vote a Share of Performance Stock or the right to receive any dividend or other right), which restrictions may lapse, in whole or in part, upon the achievement of such performance goals during such performance periods as the Committee shall establish. Subject to the terms of the Plan, the performance goals to be achieved during any performance period, the length of any performance period, the number of Shares subject to any Award of Performance Stock or Performance Units shall be determined by the Committee; *provided, however*, that subject to Section 12(g), the performance period relating to Performance Stock and Performance Units shall be at least one year.

(c) Any Share of Performance Stock granted under the Plan may be evidenced in such manner as the Committee may deem appropriate including, without limitation, book-entry registration or issuance of a stock certificate or certificates. In the event any stock certificate is issued in respect of Shares of Performance Stock granted under the Plan, such certificate shall be registered in the name of the Participant and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Performance Stock.

(d) Every Award of Performance Stock and every Award of Performance Units to a member of the Executive Group shall, if the Committee intends that such Award should constitute “qualified performance-based compensation” for purposes of Section 162(m) of the Code, include a pre-established performance goal and the objective, nondiscretionary formula for determining performance thereunder, such that payment, retention or vesting of the Award is subject to the achievement during a performance period or periods, as determined by the Committee, of a level or levels, as determined by the Committee, based on or derived from one or more of the following performance measures with respect to the Company, any Subsidiary, any segment, line of business or selected business and/or any business unit of the Company or any Subsidiary, whether on a total or organic basis: revenue (including Acceleration of Profitable Growth initiative, market share, revenue growth, growth rate, compound annual growth, revenue versus peer group and revenue per employee); market penetration; business retention; costs (including IT, fleet, fuel, maintenance, direct labor, total labor, SG&A, facilities, real estate, corporate expenses, bad debt, interest, taxes, depreciation, and amortization, whether on an absolute basis or as a percent of revenue); profit (including operating profit ("OP"), net income, operating income, EBIT, EBITA, EBITDA, free cash flow (before or after dividends), cash from operating activities, and for each of these profit measures, growth, growth rate, compound annual growth, or performance versus peer group); margin (including Close The Gap initiative, OP margin, gross margin, earnings per share, EBIT margin, EBITA margin, EBITDA margin, and for each of these margin measures, growth, growth rate, compound annual growth, or performance versus peer group); operating leverage; stock price (including absolute change, percent change, performance versus peer group, performance versus indices, dividends); total shareholder return; stockholder equity, total market capitalization, book value (on an absolute or per share basis), analyst coverage (sell-side or buy side); stock price multiple (whether on the basis of revenue, EBIT, EBITA or EBITDA); returns on equity, assets, net assets, capital, or invested capital; economic value added; capital (including working capital improvement, DSO, DPO, cash conversion, cash, debt, net debt, financial leverage, capital expenditures, lease financing, cost of capital, weighted average cost of capital, and for each of these capital measures absolute amounts, year-end amounts, growth, growth rate, compound annual growth, performance versus peer group, performance per employee); customer focus (including new customers, customer retention, satisfaction or service levels); employee safety; employee recruiting; employee retention; employee turnover, employee satisfaction; employee overtime; mergers and acquisitions; divestitures; geographic expansion; brand expansion; licensing; critical projects; critical processes; operational effectiveness; compliance; management of debt covenants, credit ratings, NYSE listing requirements, legacy liabilities, litigation, employment practices, employee benefits, and Sarbanes-Oxley and other regulatory compliance, whether or not determined in accordance with generally accepted accounting principles but, where applicable, as consistently applied by the Company and, as so determined by the Committee prior to the release or forfeiture of the Shares of Performance Stock or the expiration of the Award of Performance Units (as applicable), adjusted, to the extent permitted under Section 162(m) of the Code if the Committee intends the Award of Performance Stock or Performance Units to continue to constitute "qualified performance-based compensation" under Section 162(m) of the Code, to omit the effects of unusual or infrequently occurring events and transactions and extraordinary items, including but not limited to, the gain or loss on the disposal of a business segment, asset write-downs, significant litigation or claim judgments or settlements, acquisitions or divestitures, reorganization or change in the capital structure of the Company, foreign exchange gains and losses, a change in the fiscal year of the Company, business interruption events, unbudgeted capital expenditures, unrealized investment gains and losses, impairments, significant litigation or claim judgements or settlements, expenses directly levied on the business by government intervention , accruals for awards under the Plan and cumulative effects of changes in accounting principles. Performance measures may vary from Performance Stock Award to Performance Stock Award, Performance Unit Award to Performance Unit Award and from Participant to Participant and may be established on a stand-alone basis, in tandem or in the alternative. The Committee will, in its sole discretion, designate within the first 90 days of a performance period (or, if longer or shorter, within the maximum period allowed under Section 162(m) of the Code) the member or members of the Executive Group who will be eligible to receive a Performance Stock Award intended to be qualified performance-based compensation and the applicable measurement formula. Performance measures may be expressed on an absolute basis or on a relative basis against a peer group or an index. Following the completion of a performance period, the Committee shall review and certify in writing whether, and to what extent, the performance goals for the performance period have been achieved and, if so, calculate and certify in writing the amount of the performance-based compensation Awards earned for the period based upon the performance formula. The Committee shall have the discretion to decrease, but not increase, a performance determination from the formula amount. For any Award (other than Options or SARs) subject to any such pre-established formula, the maximum number of Shares subject to any such Award granted in any calendar year shall be 500,000, subject to adjustment as provided in Section 5(f). Subject to adjustment as provided in Section 5(f), no Participant may receive Options and/or SARs under the Plan in any calendar year that relate to more than 800,000 Shares. Notwithstanding any provision of the Plan to the contrary, the Committee shall not be authorized to increase the number of Shares subject to any Award to which this Section 9(d) applies upon attainment of such pre-established formula. For any Cash Awards that are intended to constitute “qualified performance-based compensation” within the meaning of Section 162(m) of the Code and are stated with reference to a specified dollar limit, the maximum amount that may be earned and become payable to any one Participant with respect to any twelve (12)-month performance period shall equal $5,000,000 (pro-rated up or down for performance periods that are greater or lesser than twelve (12) months). Notwithstanding the foregoing, (i) if an Award is denominated in cash but an equivalent amount of Shares are delivered in lieu of delivery of cash, or the Award is denominated in Shares but an equivalent amount of cash is delivered in lieu of Shares, the foregoing limits shall be applied to the cash or Shares, as applicable, based on the methodology used by the Committee to convert the cash into Shares or Shares into cash, as applicable, and (ii) any adjustment in the number of Shares or the amount of cash delivered to reflect actual or deemed investment experience shall be disregarded. If an Award that a Participant holds is cancelled or subject to a repricing within the meaning of the regulations under Code Section 162(m), the cancelled Award shall continue to be counted against the maximum number of Shares for which Awards may be granted to the Participant in any calendar year as required under Code Section 162(m). The foregoing limits shall be subject to adjustment as provided in Section 5(f).

(e) Section 11 sets forth certain additional provisions that shall apply to Performance Stock and Performance Units.

SECTION 10*. Other Stock-Based Awards; Cash Awards*

(a) The Committee is hereby authorized to grant to Participants such other Awards (including, without limitation, rights to dividends, dividend equivalents and units under the DSAP) that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Shares (including, without limitation, securities convertible into Shares) as are deemed by the Committee to be consistent with the purposes of the Plan. Subject to the terms of the Plan, the Committee shall determine the terms and conditions of such Awards. Shares or other securities delivered pursuant to a purchase right granted under this Section 10 shall be purchased for such consideration, which may be paid by such method or methods and in such form or forms, including, without limitation, cash, Shares (either actually or by attestation or by withholding by the Company), other securities, other Awards, or any combination thereof, as the Committee shall determine, the value of which consideration, as established by the Committee, shall, except in the case of Substitute Awards, not be less than the Fair Market Value of such Shares or other securities as of the date such purchase right is granted and shall be treated as an Option for purposes of the Plan. If the Committee intends that Other Stock-Based Awards granted under this Section 10 shall constitute or give rise to “qualified performance-based compensation” under Section 162(m) of the Code, such Award shall be structured in accordance with the requirements of Section 9, including the performance criteria set forth herein.

(b) The Committee is authorized (i) to grant to a Participant Shares as a bonus, (ii) to grant Shares or other Awards in lieu of other obligations of the Company, any Subsidiary or any Affiliate to pay cash or to deliver other property under this Plan or under any other plans or compensatory arrangements of the Company, any Subsidiary or any Affiliate, (iii) to use available Shares as the form of payment for compensation, grants or rights earned or due under any other compensation plans or arrangements of the Company, any Subsidiary or an Affiliate, and (iv) subject to any restrictions on repricings, to grant as alternatives to or replacements of Awards granted or outstanding under the Plan or any other plan or arrangement of the Company, any Subsidiary or any Affiliate, subject to such terms as shall be determined by the Committee and the overall limitation on the number of Shares that may be issued under the Plan. Notwithstanding any other provision hereof, Shares or other securities delivered to a Participant pursuant to a purchase right granted under this Plan shall be purchased for consideration, the Fair Market Value of which shall not be less than the Fair Market Value of such Shares or other securities as of the date such purchase right is granted.

(c) The Committee also is authorized to grant to a Participant Cash Awards. The Committee shall determine the terms and conditions of any such Cash Awards. Cash Awards may be granted as an element of or a supplement to any other Award under the Plan or as a stand-alone Cash Award. The Committee, on the date of grant of Cash Awards, may prescribe that the Cash Awards will be earned and become payable subject to such conditions as are set forth in the Award Agreement. If and to the extent deemed necessary by the Committee, Cash Awards granted to members of the Executive Group shall become payable upon the satisfaction of objectively determinable performance conditions based on the criteria described in Section 9(d) and shall be subject to the other requirements set forth in Section 9 so as to enable such Cash

Awards to qualify as “qualified performance-based compensation” under the regulations promulgated under Code Section 162(m). Notwithstanding any provision herein to the contrary, the Committee, in its sole discretion, may grant Cash Awards in payment of earned Awards and other compensation payable under the Plan or any other plans or compensatory arrangements of the Company, any Subsidiary or any Affiliate. Unless the Committee or the Award Agreement provides otherwise, Cash Awards shall be vested and payable upon the date of grant.

SECTION 11*. Effect of Termination of Employment on Awards.*

Except as otherwise provided by the Committee at the time an Option, SAR, Restricted Stock, Restricted Stock Unit, Performance Stock or Performance Unit is granted or in any amendment thereto, if a Participant ceases to be employed by the Company or any Affiliate or ceases to serve as a member of the Board (for the purposes of this Section 11, “termination”), then:

(a) with respect to an Option or SAR:

(i) subject to Section 11(a)(ii), if termination is by reason of the Participant’s Retirement or by reason of the Participant’s permanent and total disability, each Option and SAR held by the Participant shall continue to remain outstanding and shall become or remain exercisable and in full force and effect in accordance with its terms until the expiration date of the Award;

(ii) if termination is by reason of the death of the Participant, or if the Participant dies after Retirement or permanent and total disability as referred to in Section 11(a)(i), each Option and SAR held by the Participant shall become fully exercisable at the time of the Participant’s death (or, if later, at the time of the one year anniversary of the Option or SAR grant date (as applicable)) and may be exercised by the Participant’s Beneficiary at any time within a period of three years after death (but not after the expiration date of the Award);

(iii) if termination of employment is for any reason other than as provided in Section 11(a)(i) or (ii), the Participant may exercise each Option and SAR held by the Participant within 90 days after such termination (but not after the expiration date of such Award) to the extent such Award was exercisable pursuant to its terms at the date of termination; *provided*, *however*, if the Participant should die within 90 days after such termination, each Option and SAR held by the Participant may be exercised by the Participant’s Beneficiary at any time within a period of one year after death (but not after the expiration date of the Award) to the extent such Award was exercisable pursuant to its terms at the date of termination. Notwithstanding the foregoing, with regard to a Director eligible to receive an Option or SAR pursuant to Section 3(b) of the Plan (and subject to Section 12(g)), each Option or SAR held by the Director shall continue to remain outstanding and shall become or remain exercisable and in full force and effect in accordance with its terms until the first anniversary of such termination;

(b) with respect to Restricted Stock and Restricted Stock Units:

(i) subject to Section 11(b)(ii), if termination is by reason of the Participant’s Retirement or permanent and total disability, each Restricted Stock Award and Restricted Stock Unit Award held by the Participant shall continue to remain outstanding and in full force and effect and any restrictions with respect to such Restricted Stock Award or Restricted Stock Unit Award (as applicable) shall lapse in accordance with the terms of the Award;

(ii) if termination is by reason of the Participant’s death, or if the Participant dies after Retirement or permanent and total disability as referred to in Section 11(b)(i), any and all restrictions with respect to each Restricted Stock Award and Restricted Stock Unit Award held by the Participant shall lapse at the time of the Participant’s death (or, if later, at the time of the one year anniversary of the Restricted Stock Award or Restricted Stock Unit Award (as applicable) grant date);

(iii) if termination of employment is by reason other than as provided in Section 11(b)(i) or (b)(ii), any Restricted Stock Award and Restricted Stock Unit Award held by the Participant that remains subject to restrictions shall be canceled as of such termination of employment and shall have no further force or effect;

(c) with respect to Performance Stock and Performance Units:

(i) if termination is by reason of the Participant’s Retirement or permanent and total disability, each Performance Stock Award and Performance Unit Award held by the Participant shall remain outstanding and in full force and effect and any restrictions with respect to such Performance Stock Award or Performance Unit Award (as applicable) shall lapse in accordance with the terms of the Award regardless of whether the Participant dies during such period;

(ii) if termination of employment occurs prior to the expiration of any performance period applicable to a Performance Stock Award or Performance Unit Award (as applicable) and such termination is by reason of the Participant’s death, the Participant’s Beneficiary shall be entitled to receive following the expiration of such performance period, a pro-rata portion of the number of Shares subject to the Performance Stock Award or Performance Unit Award (as applicable) with respect to which the restrictions would have otherwise lapsed notwithstanding the Participant’s death, determined based on the number of days in the performance period that shall have elapsed prior to such termination and the remainder of such Performance Stock Award or Performance Unit Award (as applicable) shall be canceled; and

(iii) if termination of employment occurs prior to the expiration of any performance period applicable to a Performance Stock Award or Performance Unit Award and such termination is for any reason other than as provided in Section 11(c)(i) or (ii), any Performance Stock Award and any Award of Performance Units held by the Participant shall be canceled as of such termination of employment and shall have no further force or effect.

SECTION 12 . *General Provisions Applicable to Awards.*

(a) Awards shall be granted for no cash consideration or for such minimal cash consideration as may be required by applicable law.

(b) Awards may, in the discretion of the Committee, be granted either alone or in addition to or in tandem with any other Award or any award granted under any other plan of the Company. Awards granted in addition to or in tandem with other Awards, or in addition to or in tandem with awards granted under any other plan of the Company, may be granted either at the same time as or at a different time from the grant of such other Awards or awards.

(c) Subject to the terms of the Plan, payments or transfers to be made by the Company upon the grant, exercise or payment of an Award may be made in the form of cash, Shares, other securities or other Awards, or any combination thereof, as determined by the Committee in its discretion at the time of grant, and may be made in a single payment or transfer, in installments, or on a deferred basis, in each case in accordance with rules and procedures established by the Committee. Such rules and procedures may include, without limitation, provisions for the payment or crediting of reasonable interest on installment or deferred payments or the grant or crediting of dividend equivalents in respect of installment or deferred payments; provided however that any dividend equivalents shall be subject to any vesting requirements applicable to the underlying award.

(d) No Award and no right under any Award shall be assignable, alienable, saleable or transferable by a Participant otherwise than by will or pursuant to Section 12(e). Each Award, and each right under any Award, shall be exercisable during the Participant’s lifetime only by the Participant or, if permissible under applicable law, by the Participant’s guardian or legal representative. The provisions of this paragraph shall not apply to any Award which has been fully exercised, earned or paid, as the case may be, and shall not preclude forfeiture of an Award in accordance with the terms thereof. Notwithstanding the foregoing, an Award exempt from the requirements of Section 409A of the Code other than an Incentive Stock Option may, in the sole discretion of the Committee, be transferable or assignable to a permitted transferee, upon written approval by the Committee. For purposes of this Section 12(d), a "permitted transferee" means a member of the Participant's immediate family (child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships), a trust in which these persons (or the Participant) have more than 50% of the beneficial interest, a foundation in which these persons (or the Participant) control the management of assets, any other entity in which these persons (or the Participant) own more than 50% of the voting interests, and such other transferees as may be permitted by the Committee in its sole discretion.

(e) A Participant may designate a Beneficiary or change a previous beneficiary designation at such times prescribed by the Committee by using forms and following procedures approved or accepted by the Committee for that purpose. If no Beneficiary designated by the Participant is eligible to receive payments or other benefits or exercise rights that are available under the Plan at the Participant's death, the Beneficiary shall be the Participant's estate. Each designation will revoke all prior designations by the same Participant, shall be in a form reasonably prescribed by the Committee and shall be effective only when filed by the Participant in writing with the Company during the Participant's lifetime.

(f) All certificates for Shares or other securities delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which such Shares or other securities are then listed, and any applicable Federal or state securities laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(g) Unless specifically provided to the contrary in any Award Agreement, upon a Participant's termination within the two (2) year period immediately following a Change in Control, (i) all Awards shall become fully exercisable, shall vest and shall be settled, as applicable, and any restrictions applicable to any Award shall automatically lapse and (ii) all Performance Stock Awards and Performance Unit Awards shall be considered to be earned at their target level; any restrictions with respect to the target number of Shares subject to a Performance Stock Award and Performance Unit Award shall lapse and any remaining Shares subject to such Performance Stock Award and Performance Unit Award shall be cancelled and shall have no further force or effect. The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to all or substantially all of the assets and business of the Company and its Affiliates, taken as a whole.

(h) Notwithstanding any provision of the Plan providing for the maximum term of an Award, in the event any Award would expire prior to exercise, vesting or settlement because trading in Shares is prohibited by law or by any insider trading policy of the Company, the term of the Award shall automatically be extended until thirty (30) days after the expiration of any such prohibitions to permit the Participant to realize the value of the Award, provided such extension with respect to the applicable Award (i) is permitted by law, (ii) does not result in a violation of Section 409A with respect to the Award, (iii) permits any Award that is intended to constitute "qualified performance

-based compensation" within the meaning of Section 162(m) of the Code to continue to so qualify and (iv) does not otherwise adversely impact the tax consequences of the Award (such as for incentive stock options and related Awards). An Award Agreement may provide that the Award will be automatically, and without any action by the Participant, deemed exercised, by means of a "net exercise" procedure, immediately prior to the expiration of the Award if the then Fair Market Value of the underlying shares of Common Stock at that time exceeds the exercise or purchase price or base value of the Award, in order to permit the Participant to realize the value of the Award.

SECTION 13*. Amendments and Termination.*

(a) Except to the extent prohibited by applicable law and unless otherwise expressly provided in an Award Agreement or in the Plan, and subject to Section 17, the Board may amend, alter, suspend, discontinue, or terminate the Plan or any portion thereof at any time; *provided, however,* that no such amendment, alteration, suspension, discontinuation or termination shall be made without (i) shareholder approval if such approval is required by the listed company rules of the New York Stock Exchange or (ii) the consent of the affected Participant, if such action would materially adversely affect the rights of such Participant under any outstanding Award, except to the extent any such amendment, alteration, suspension, discontinuance or termination is made to cause the Plan to comply with applicable law, stock exchange rules and regulations or accounting or tax rules and regulations. Notwithstanding anything to the contrary herein, the Committee may amend the Plan in such manner as may be necessary to enable the Plan to achieve its stated purposes in any jurisdiction in a tax-efficient manner and in compliance with local rules and regulations.

(b) The Committee may waive any conditions or rights under, amend any terms of, or amend, alter, suspend, discontinue or terminate, any Award theretofore granted, prospectively or retroactively, without the consent of any relevant Participant or holder or beneficiary of an Award, *provided, however,* that no such action shall impair the rights of any affected Participant or holder or beneficiary under any Award theretofore granted under the Plan, except to the extent any such action is made to cause the Plan to comply with applicable law, stock exchange rules and regulations or accounting or tax rules and regulations; and *provided further* that, except as provided in Section 5(d), no such action shall directly or indirectly, through cancellation and regrant or any other method, reduce, or have the effect of reducing, the exercise price of any Award established at the time of grant thereof and *provided further*, that the Committee's authority under this Section 13(b) is limited in the case of Awards subject to Section 9(d), as set forth in Section 9(d).

(c) Except as noted in Section 9(d), the Committee shall be authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of events (including, without limitation, the events described in Section 5(d)) affecting the Company, or the financial statements of the Company, or of changes in applicable laws, regulations or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

(d) The Committee may correct any defect, supply any omission, or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem desirable to carry the Plan into effect.

SECTION 14*. Miscellaneous.*

(a) No employee, Participant or other person shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of employees, Participants, or holders or beneficiaries of Awards under the Plan. The terms and conditions of Awards need not be the same with respect to each recipient.

(b) The Company shall be authorized to withhold from any Award granted or any payment due or transfer made under any Award or under the Plan or from any compensation or other amount owing to a Participant the amount (in cash, Shares (actually or by attestation or by withholding by the Company), other securities or other Awards) of withholding taxes due in respect of an Award, its exercise, or any payment or transfer under such Award or under the Plan and to take such other action (including, without limitation, providing for elective payment of such amounts in cash or Shares by the Participant) as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes.

(c) Nothing contained in the Plan shall prevent the Company from adopting or continuing in effect other or additional compensation arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.

(d) The grant of an Award shall not be construed as giving a Participant the right to be retained in the employ of the Company or any Affiliate or continue to serve as a member of the Board. Further, the Company or the applicable Affiliate may at any time dismiss a Participant from employment, free from any liability, or any claim under the Plan, unless otherwise expressly provided in the Plan or in any Award Agreement or in any other agreement binding the parties. The receipt of any Award under the Plan is not intended to confer any rights on the receiving Participant except as set forth in such Award.

(e) If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, or as to any person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, person or Award, and the remainder of the Plan and any such Award shall remain in full force and effect.

(f) Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other person. To the extent that any person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company.

(g) No fractional Shares shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash or other securities shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be canceled, terminated or otherwise eliminated.

(h) The Committee may specify in an Award Agreement that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain events, in addition to applicable vesting conditions of an Award. Such events may include, without limitation, breach of non-competition, non-solicitation, confidentiality, or other restrictive covenants that are contained in the Award Agreement or otherwise applicable to the Participant, a termination of the Participant's for Cause, or other conduct by the Participant that is detrimental to the business or reputation of the Company and/or its Affiliates.

(i) The Committee may from time to time establish sub-plans under the Plan for purposes of satisfying blue sky, securities, tax or other laws of various jurisdictions in which the Company intends to grant Awards. Any sub-plans shall contain such limitations and other terms and conditions as the Committee determines are necessary or desirable. All sub-plans shall be deemed a part of the Plan, but each sub-plan shall apply only to the Participants in the jurisdiction for which the sub-plan was designed.

(j) The Plan shall be unfunded. Neither the Company, the Board nor the Committee shall be required to establish any special or separate fund or to segregate any assets to assure the performance of its obligations under the Plan.

(k) No fractional shares of Common Stock shall be issued or delivered pursuant to the Plan. The Committee shall determine whether cash, additional Awards or other securities or property shall be issued or paid in lieu of fractional shares of Common Stock or whether any fractional shares should be rounded, forfeited or otherwise eliminated.

(l) The costs of administering the Plan shall be paid by the Company.

(m) If any of the provisions of the Plan or any Award Agreement is held to be invalid, illegal or unenforceable, whether in whole or in part, such provision shall be deemed modified to the extent, but only to the extent, of such invalidity, illegality or unenforceability and the remaining provisions shall not be affected thereby.

(n) Notwithstanding any other provisions in this Plan, any Award which is subject to recovery under any law, government regulation or stock exchange listing r equirement, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or stock exchange listing requirement (or any policy adopted by the Company pursuant to any such law, government regulation or stock exchange listing requirement).

(o) The law of the Commonwealth of Virginia shall govern all questions concerning the construction, validity and interpretation of this Plan, without regard to such state's conflict of law rules.

SECTION 15*. Effective Date of the Plan.*

This Plan is effective on the date of its approval by the Company’s stockholders.

SECTION 16. *Term of the Plan.*

No Award shall be granted under the Plan after the tenth anniversary of the effective date of the Plan. However, unless otherwise expressly provided in the Plan or in an applicable Award Agreement, any Award theretofore granted may extend beyond such date, and the authority of the Committee to amend, alter, adjust, suspend, discontinue, or terminate any such Award, or to waive any conditions or rights under any such Award, and the authority of the Board to amend the Plan, shall extend beyond such date.

SECTION 17*. Section 409A of the Code.*

(a) With respect to Awards subject to Section 409A of the Code (including but not limited to Awards of Restricted Stock Units held by Participants who are or who may become eligible for Retirement during the term of the Award), the Plan is intended to comply with the requirements of Section 409A of the Code, and the provisions of the Plan and any Award Agreement shall be interpreted in a manner that satisfies the requirements of Section 409A of the Code, and the Plan shall be operated accordingly. If any provision of the Plan or any term or condition of any Award would otherwise frustrate or conflict with this intent, the provision, term or condition will be interpreted and deemed amended so as to avoid this conflict. Notwithstanding the foregoing, neither the Company nor the Committee shall have any obligation to take any action to prevent the assessment of any excise tax or penalty on any Participant under Section 409A of the Code and neither the Company nor the Committee will have any liability to any Participant for such tax or penalty.

(b) With respect to Awards subject to Section 409A of the Code (including Awards of Restricted Stock Units held by Participants who are or who may become eligible for Retirement during the term of the Award), notwithstanding Section 12(g) and unless specifically provided to the contrary in the applicable Award Agreement, in the event of a Change in Control, this paragraph 17(b) shall apply and shall supersede the provisions of Section 12(g) to the extent inconsistent therewith.

(i) If at the time of such Change in Control, the transaction(s) constituting such Change in Control do not constitute a change in the ownership or effective control of a corporation, or change in the ownership of a substantial portion of the assets of a corporation, as such terms are defined for purposes of Section 409A of the Code, any portion of the Award as to which the settlement date has not theretofore occurred shall remain outstanding and shall be settled on the applicable date(s) as specified in the Award Agreement.

(ii) If the provisions of Section 17(b)(i) are invoked such that a Change in Control occurs and any portion of the Award continues to be outstanding thereafter, the value of the Award that remains outstanding shall be determined based on the value per common share of the Company implied by the Change in Control transaction and such value shall be paid in cash without interest on the applicable settlement date(s) for such Award, as specified in the Award Agreement.

(c) With respect to Awards subject to Section 409A of the Code (including Awards of Restricted Stock Units held by Participants who are or who may become eligible for Retirement during the term of the Award), if, at the time of the Participant's separation from service (within the meaning of Section 409A of the Code), (i) the Participant shall be a specified employee (within the meaning of Section 409A of the Code and using the identification methodology selected by the Company from time to time) and (ii) the Company shall make a good faith determination that an amount payable pursuant to an Award Agreement constitutes deferred compensation (within the meaning of Section 409A of the Code) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A of the Code in order to avoid taxes or penalties under Section 409A of the Code, then the Company (or an Affiliate, as applicable) shall not pay any such amount on the otherwise scheduled payment date but shall instead accumulate such amount and pay it, without interest, on the first day of the seventh month following such separation from service or, if earlier, the date of death of the Participant.

(d) With respect to Awards subject to Section 409A of the Code (including Awards of Restricted Stock Units held by Participants who are or who may become eligible for Retirement during the term of the Award), neither the Participant nor any creditor or beneficiary of the Participant shall have the right to subject any deferred compensation (within the meaning of Section 409A of the Code) payable under the Award Agreement to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A of the Code, any deferred compensation (within the meaning of Section 409A of the Code) payable to or for the benefit of a Participant pursuant to an Award Agreement may not be reduced by, or offset against, any amount owing by the Participant to the Company (or an Affiliate, as applicable).

SECTION 18. *Re-Pricing Prohibition*.

Notwithstanding any other provision of this Plan, except for adjustments pursuant to Section 5(g) or to the extent approved by the Company's shareholders and consistent with the rules of any stock exchange on which the Company's securities are traded, this Plan does not permit (a) any decrease in the exercise or purchase price or base value of any outstanding Awards, (b) the issuance of any replacement Options, SARs or Other Stock-Based Awards in the nature of purchase rights where the Participant agrees to forfeit an existing Option, SAR or Other Stock-Based Award in the nature of purchase rights in exchange for the new Option, SAR or Other Stock-Based Award in the nature of purchase rights with a lower exercise or purchase price or base value, (c) the Company to repurchase underwater or out-of-the-money Options, SARs or Other Stock-Based Awards in the nature of purchase rights, which shall be deemed to be those Options, SARs or Other Stock-Based Awards in the nature of purchase rights with exercise or purchase prices or base values in excess of the current Fair Market Value of the Shares underlying the Option, SAR or Other Stock-Based Award in the nature of purchase rights, (d) the issuance of any replacement or substitute Awards or the payment of cash in exchange for, or in substitution of, underwater or out-of-the-money Options, SARs or Other Stock-Based Awards in the nature of purchase rights, or (e) any other action that is treated as a re-pricing under generally accepted accounting principles.

SECTION 19. *Limit on Awards to Directors*.

Notwithstanding any other provisions of this Plan, no Director, other than any Director who serves as the Non-Executive Chairman of the Board, shall receive Awards under the Plan in any twelve (12)-month performance period that exceed an aggregate Fair Market Value (as of the grant date for each award) of $450,000. Notwithstanding any other provisions of this Plan, no Director who serves as the Non-Executive Chairman of the Board, shall receive Awards under the Plan in any twelve (12)-month performance period that exceed an aggregate Fair Market Value (as of the grant date for each award) of $650,000.

**EXHIBIT 31.1**

I, Douglas A. Pertz, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 of The Brink’s Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 24, 2019

/s/ Douglas A. Pertz
Douglas A. Pertz
President and Chief Executive Officer
(Principal Executive Officer)

**EXHIBIT 31.2**

I, Ronald J. Domanico, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 of The Brink’s Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 24, 2019

/s/ Ronald J. Domanico
Ronald J. Domanico
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO**

**18 U.S.C. SECTION 1350,**

**AS ADOPTED PURSUANT TO**

**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of The Brink’s Company (the “Company”) for the period ending June 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Douglas A. Pertz, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Douglas A. Pertz
Douglas A. Pertz
President and Chief Executive Officer
(Principal Executive Officer)

July 24, 2019

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**EXHIBIT 32.2**

**CERTIFICATION PURSUANT TO**

**18 U.S.C. SECTION 1350,**

**AS ADOPTED PURSUANT TO**

**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of The Brink’s Company (the “Company”) for the period ending June 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Ronald J. Domanico, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Ronald J. Domanico
Ronald J. Domanico
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

July 24, 2019

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.