

MONEYGRAM INTERNATIONAL INC

Form DEF 14A

April 02, 2018

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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the**

**Securities Exchange Act of 1934**

**(Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**MONEYGRAM INTERNATIONAL, INC.**

**(Name of Registrant as Specified In Its Charter)**

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

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No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- 1) Title of each class of securities to which transaction applies:
  
- 2) Aggregate number of securities to which transaction applies:
  
- 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  
- 4) Proposed maximum aggregate value of transaction:
  
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- 1) Amount Previously Paid:
  
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- 3) Filing Party:

4) Date Filed:

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2828 North Harwood Street, 15th Floor

Dallas, Texas 75201

April 2, 2018

Dear MoneyGram Stockholder:

You are invited to attend our 2018 Annual Meeting of Stockholders, which will be held at 8:00 a.m. Central Time on Wednesday, May 2, 2018 at The Ritz-Carlton, located at 2121 McKinney Ave., Dallas, Texas 75201.

Details of the business to be conducted at the meeting are described in the attached Notice of Annual Meeting of Stockholders and proxy statement.

Your vote is important and we encourage you to vote whether or not you plan to attend the meeting. Please sign, date and return the enclosed proxy card in the envelope provided, or you may vote by telephone or on the Internet as described on your proxy card. If you plan to attend the meeting, you may vote in person.

Also enclosed is a copy of our Annual Report on Form 10-K for the year ended December 31, 2017. I encourage you to read the Annual Report on Form 10-K for information about the Company's performance in 2017.

We look forward to seeing you at the meeting.

Sincerely,

W. Alexander Holmes

*Chairman and Chief Executive Officer*

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2828 North Harwood Street, 15th Floor

Dallas, Texas 75201

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

April 2, 2018

The Annual Meeting of Stockholders of MoneyGram International, Inc. will be held at 8:00 a.m. Central Time on Wednesday, May 2, 2018 at The Ritz-Carlton, located at 2121 McKinney Ave., Dallas, Texas 75201 for the following purposes:

1. To elect nine directors to serve one-year terms;
2. To ratify the appointment of KPMG LLP as our independent registered public accounting firm for 2018; and
3. To act upon any other matters that may properly come before the meeting and any adjournment(s) or postponement(s) thereof.

Only stockholders of record of common stock at the close of business on March 8, 2018 are entitled to receive this notice and to vote at the meeting.

To assure your representation at the meeting, please vote by telephone, on the Internet using the instructions on the proxy card, or by signing, dating and returning the proxy card in the postage-prepaid envelope provided.

To attend the meeting in person, you will need to bring a valid government-issued photo identification, such as a driver's license or passport. If you are a beneficial holder but not a stockholder of record (i.e., if you hold your shares in street name), you will also need to bring proof of ownership of MoneyGram common stock as of March 8, 2018 (such as an account statement from your broker showing your stock ownership as of March 8, 2018). If you are a stockholder of record, we will match the name on your form of identification against our list of registered stockholders of record as provided by our transfer agent to confirm your ownership of MoneyGram common stock. If you are a proxy holder for a stockholder of record who owned shares of MoneyGram common stock as of March 8, 2018, you must also bring to the meeting the executed proxy naming you as the proxy holder, signed by the stockholder who owned shares of MoneyGram common stock as of March 8, 2018. If you are a proxy holder for a stockholder who owned shares of MoneyGram common stock in street name as of March 8, 2018, you must present a valid legal proxy from the stockholder of record (i.e., the bank, broker or other holder of record) to the street name stockholder that is assignable and a valid legal proxy from the street name stockholder to you.

By Order of the Board of Directors

Francis Aaron Henry

*General Counsel and*

*Corporate Secretary*

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**MONEYGRAM INTERNATIONAL, INC.**

**PROXY STATEMENT**

**PART ONE**

**VOTING INFORMATION**

A proxy is solicited on behalf of the Board of Directors (the "Board") of MoneyGram International, Inc. ("MoneyGram," the "Company," we, us or our) for use at the Annual Meeting of Stockholders to be held on Wednesday, May 2, 2018, beginning at 8:00 a.m. Central Time at The Ritz-Carlton, located at 2121 McKinney Ave., Dallas, Texas 75201, and at any adjournment(s) or postponement(s) thereof. We are first mailing the proxy statement and proxy card to holders of MoneyGram common stock on or about April 2, 2018.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS**

**FOR THE STOCKHOLDER MEETING TO BE HELD ON May 2, 2018**

The Notice of Annual Meeting, proxy statement and 2017 Annual Report on Form 10-K are available at <http://ir.moneygram.com/sec.cfm>.

**Who May Vote/Voting Rights**

MoneyGram has two classes of capital stock outstanding: common stock and Series D Participating Convertible Preferred Stock, or D Stock.

Stockholders of record of MoneyGram common stock at the close of business on March 8, 2018, referred to herein as the record date, are entitled to receive the Notice of Annual Meeting and vote their shares at the meeting. On the record date, 55,460,583 shares of common stock and 71,281,9038 shares of D Stock were outstanding. As of the record date, the 71,281,9038 shares of D Stock, all of which are held by The Goldman Sachs Group, Inc. and its affiliates, or the Goldman Sachs Group, are convertible into 8,910,234 shares of common stock.

As of the record date, affiliates or coinvestors of Thomas H. Lee Partners, L.P., or THL, own approximately 42.8% of our common stock. As of the record date, the Goldman Sachs Group would own approximately 13.9% of our common stock on a diluted basis upon conversion of their D Stock, and THL would own approximately 36.9% of our common stock on a diluted basis. The D Stock, as held by the Goldman Sachs Group, is non-voting stock except for the rights to vote on limited matters specified in the Certificate of Designations, Preferences and Rights of the D Stock of the Company, none of which are being presented for a vote at this meeting.

A holder of common stock is entitled to one vote for each share of common stock held on the record date for each of the proposals set forth herein. There is no cumulative voting.

**How You May Vote**

You are entitled to vote at the meeting if you are a stockholder of record of common stock on the record date. You may vote in person at the meeting, by automated telephone voting, on the Internet or by proxy. If you require directions to attend the meeting, please call us at (214) 999-7552.

**How You May Revoke or Change Your Vote**

Proxies may be revoked or changed if you:

deliver a signed, written revocation letter, dated later than the proxy, to MoneyGram International, Inc., 2828 North Harwood Street, 15th Floor, Dallas, Texas 75201, Attention: Corporate Secretary;



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deliver a signed proxy, dated later than the prior proxy, to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, New York 11717;

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vote again by telephone or on the Internet prior to the meeting; or

attend the meeting and give notice to the inspector of election that you intend to vote in person rather than by proxy. Your attendance at the meeting will not revoke your proxy unless you choose to vote in person.

If your shares are held in street name by a broker, bank, trust or other nominee, you must contact such organization and follow its procedures to revoke your proxy.

### **Costs of Solicitation**

The costs of solicitation, if any, will be borne by MoneyGram. Proxies may be solicited on our behalf by directors, officers or employees, in person or by telephone, electronic transmission or facsimile transmission. No additional compensation will be paid to such persons for such solicitation. MoneyGram will reimburse banks, brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to beneficial owners of shares.

### **Difference between a Stockholder of Record and a Beneficial Owner of Shares Held in Street Name**

If your shares are registered in your name with MoneyGram's transfer agent, Wells Fargo Shareowner Services, you are the stockholder of record of those shares. In such case, the Notice of Annual Meeting and proxy statement and any accompanying documents have been provided directly to you by MoneyGram.

If your shares are not registered in your own name and, instead, your broker, bank, trust or other nominee holds your shares, you are a beneficial owner of shares held in street name. The organization holding your account is considered the stockholder of record for purposes of voting at the annual meeting. The Notice of Annual Meeting and proxy statement and any accompanying documents have been forwarded to you by your broker, bank, trust or other nominee. As the beneficial owner, you have the right to direct your broker, bank, trust or other nominee how to vote your shares by using the voting instruction card or by following their instructions for voting by telephone or on the Internet.

### **Annual Meeting Admission**

To attend the meeting in person, you will need to bring a valid government-issued photo identification, such as a driver's license or passport. If you are a beneficial holder but not a stockholder of record (i.e., if you hold your shares in street name), you will also need to bring proof of ownership of MoneyGram common stock as of March 8, 2018 (such as an account statement from your broker showing your stock ownership as of March 8, 2018). If you are a stockholder of record, we will match the name on your form of identification against our list of registered stockholders of record as provided by our transfer agent to confirm your ownership of MoneyGram common stock. If you are a proxy holder for a stockholder of record who owned shares of MoneyGram common stock as of March 8, 2018, you must also bring to the meeting the executed proxy naming you as the proxy holder, signed by the stockholder who owned shares of MoneyGram common stock as of March 8, 2018. If you are a proxy holder for a stockholder who owned shares of MoneyGram common stock in street name as of March 8, 2018, you must present a valid legal proxy from the stockholder of record (i.e., the bank, broker or other holder of record) to the street name stockholder that is assignable and a valid legal proxy from the street name stockholder to you.

### **Votes Required/Voting Procedures**

The presence at this annual meeting of stockholders, in person or by proxy, of a majority of the voting power of our common stock issued and outstanding and eligible to vote will constitute a quorum for the transaction of business at the meeting. If a quorum is not present at the meeting, the chairman

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of the meeting or the holders of a majority of the voting power of our common stock entitled to vote at the meeting who are present in person or by proxy at the meeting have the power to adjourn the meeting from time to time, until a quorum is present.

In general, shares of common stock either represented in person at the meeting or by a properly signed and returned proxy card, or properly voted by telephone or on the Internet, will be counted as present and entitled to vote at the meeting for purposes of determining the existence of a quorum. Proxies received but marked as abstentions and broker non-votes will be included in the voting power considered to be present at the meeting for purposes of determining a quorum. Broker non-votes are shares held of record by a broker that are not voted because the broker has not received voting instructions from the beneficial owner of the shares and the broker either lacks or declines to exercise the authority to vote the shares in its discretion.

Proxies will be voted as specified by the stockholder. Signed proxies that lack any specification will be voted (i) FOR each of the Board's director nominees; and (ii) FOR the ratification of KPMG LLP, or KPMG, as our independent registered public accounting firm for 2018. Notwithstanding the foregoing, proxies corresponding to shares held through the MoneyGram International, Inc. 401(k) Plan, or the 401(k) plan, will be voted as described below. The proxy holders will use their best judgment with respect to any other matters properly brought before the meeting. If a nominee cannot or will not serve as a director, the proxy may be voted for another person as the proxy holders decide.

Unless you provide voting instructions to any broker holding shares on your behalf, your broker may not use discretionary authority to vote your shares on any of the matters to be considered at the annual meeting other than the ratification of our independent registered public accounting firm. Please vote your proxy so your vote can be counted.

*Election of Directors (Proposal 1).* Each director nominee receiving a majority of the voting power of the common stock outstanding as of the record date and voted with respect to the director will be elected as a director, provided a quorum is present at the meeting. This means that the voting power of the stock voted FOR a director nominee must exceed the voting power of the stock voted AGAINST that director nominee in order for that nominee to be elected as a director. Shares not represented at the meeting, broker non-votes and proxies marked ABSTAIN have no effect on the election of directors. Affiliates of THL have indicated their intent to vote all of their shares of common stock, which as of the record date represent approximately 42.8% of the voting power of our common stock, FOR each of the director nominees at this annual meeting of stockholders.

*Ratification of Appointment of Independent Registered Public Accounting Firm for 2018 (Proposal 2).* The affirmative vote of a majority of the voting power of the common stock outstanding as of the record date and voted with respect to this proposal is required for the approval of this proposal, provided a quorum is present at the meeting. Shares not represented at the meeting, broker non-votes and proxies marked ABSTAIN with regard to this proposal have no effect on this proposal. Affiliates of THL have indicated their intent to vote all of their shares of common stock, which as of the record date represents approximately 42.8% of the voting power of our common stock, FOR the ratification of appointment of our independent registered public accounting firm for 2018 at this annual meeting of stockholders.

If you hold your shares in street name and do not provide voting instructions to your broker, the shares may be voted on Proposal 2 at the discretion of your broker. Such shares may not be voted at the discretion of your broker on Proposal 1 and will have no effect on the outcome of that proposal.

If you are a participant in the 401(k) plan, your proxy will serve as a voting instruction to the Independent Fiduciary (as defined in the 401(k) plan). The Independent Fiduciary shall instruct the 401(k) plan Trustee how to vote. The Independent Fiduciary shall follow each participant's instructions unless it determines that doing so would be contrary to the Employee Retirement Income Security Act of 1974, as amended, or ERISA. If no voting instructions are received from a participant in the 401(k) plan, the Trustee will vote those shares in accordance with the majority of shares voted in the 401(k)

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plan for which instructions were received, unless the Independent Fiduciary determines that doing so would be contrary to ERISA and instructs the Trustee to vote such shares differently.

### **Reducing Duplicate Mailings**

Because many stockholders hold shares of our common stock in multiple accounts or share an address with other stockholders, stockholders may receive duplicate mailings of notices or proxy materials. Stockholders may avoid receiving duplicate mailings as follows:

*Stockholders of Record.* If your shares are registered in your own name and you are interested in consenting to the delivery of a single notice or single set of proxy materials, you may contact Broadridge Householding Department by phone at 1-800-542-1061 or by mail to Broadridge Householding Department, 51 Mercedes Way, Edgewood, New York 11717.

*Beneficial Stockholders.* If your shares are not registered in your own name, your broker, bank, trust or other nominee that holds your shares may have asked you to consent to the delivery of a single notice or single set of proxy materials if there are other MoneyGram stockholders who share an address with you. If you currently receive more than one copy of the notice or proxy materials at your household and would like to receive only one copy in the future, you should contact your nominee.

*Right to Request Separate Copies.* If you consent to the delivery of a single notice or single set of proxy materials but later decide that you would prefer to receive a separate copy of the notice or proxy materials, as applicable, for each stockholder sharing your address, then please notify Broadridge Householding Department or your nominee, as applicable, and they will promptly deliver the additional notices or proxy materials. If you wish to receive a separate copy of the notice or proxy materials for each stockholder sharing your address in the future, you may also contact Broadridge Householding Department by phone at 1-800-542-1061 or by mail to Broadridge Householding Department, 51 Mercedes Way, Edgewood, New York 11717.

## **PART TWO**

### **BOARD OF DIRECTORS AND GOVERNANCE**

#### **Board Representation**

On March 25, 2008, MoneyGram completed a recapitalization transaction (the 2008 Recapitalization ), pursuant to the terms of an amended and restated purchase agreement ( Purchase Agreement ), dated as of March 17, 2008, with THL and affiliates of Goldman Sachs & Co. LLC (together with THL, the Investors ). Pursuant to the Purchase Agreement, MoneyGram, among other things, sold shares of Series B Participating Convertible Preferred Stock ( B Stock ) to THL and shares of Series B-1 Participating Convertible Preferred Stock ( B-1 Stock ) to affiliates of Goldman Sachs & Co. LLC for an aggregate purchase price of \$760.0 million. In addition, the Company paid certain transaction costs relating to the issuance of the B Stock and B-1 Stock ( Series B Stock ) through the issuance of additional shares of B-1 Stock to affiliates of Goldman Sachs & Co. LLC. The issuance of the Series B Stock gave the Investors an initial equity interest of approximately 79%. On March 7, 2011, MoneyGram entered into a Recapitalization Agreement, pursuant to which (i) THL converted all of the shares of B Stock into shares of our common stock in accordance with MoneyGram's Certificate of Designations, Preferences and Rights of the B Stock, (ii) the Goldman Sachs Group converted all of the shares of B-1 Stock into shares of D Stock in accordance with MoneyGram's Certificate of Designations, Preferences and Rights of the B-1 Stock, (iii) THL received additional shares of our common stock and cash, and (iv) the Goldman Sachs Group received approximately additional shares of D Stock and cash.

Pursuant to the Purchase Agreement, the Investors were provided with certain rights with respect to representation on the Board and committees of the Board, and such representatives are referred to

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herein as Board Representatives. Under the Purchase Agreement, THL has the right to designate two to four directors who each have equal votes and who are to have such aggregate number of votes equal to the number of directors as is proportionate to the Investors' common stock ownership (on an as-converted basis). Therefore, each director designated by THL has multiple votes and each other director has one vote. During 2017, THL designated Seth W. Lawry and Ganesh B. Rao to serve as its Board Representatives. The Purchase Agreement also provides for the general attendance by two representatives of the Goldman Sachs Group to observe at Board meetings. However, during 2017 the Goldman Sachs Group did not designate any such representative.

So long as the Investors or their affiliates beneficially own, in the aggregate, common stock or D Stock representing an initial cost of not less than \$75 million, the Investors are entitled to nominate and cause the Company to appoint replacements for the Board Representatives. If the Investors and their affiliates at any time cease to meet such ownership requirements, the Investors will have no further rights with respect to representation on the Board or committees of the Board and, if so requested by the Company, will promptly cause the Board Representatives to resign, and take all other action reasonably necessary, or reasonably requested by the Company, to cause the prompt removal of, the Board Representatives.

For additional information regarding the 2008 Recapitalization, the Purchase Agreement and related matters, see Part Four Other Important Information Transactions with Related Persons in this proxy statement. See Part Four Other Important Information Security Ownership of Certain Beneficial Owners for more information regarding the Investors' equity interest in the Company.

## **Board Structure and Composition**

The Company's Amended and Restated Certificate of Incorporation, as amended, and Amended and Restated Bylaws, as amended (our Bylaws), provide that each director of the Company is elected for a one-year term by the vote of a majority of the voting power of the common stock outstanding as of the record date and voted with respect to the director, provided that in contested elections, the directors shall be elected by a plurality of the voting power of the common stock. Subject to certain rights of the Investors, the number of directors on the Board shall be fixed by a majority of the whole Board, but shall not be more than seventeen nor less than three. If a vacancy occurs, including as a result of an increase in the authorized number of directors, the vacant directorship may be filled by the affirmative vote of a majority of the votes of the remaining directors for a term expiring at the next annual meeting of stockholders, subject to certain rights provided to the Investors under the Purchase Agreement. Each director holds office until a successor has been duly elected and qualified.

The Board is currently comprised of nine members: six independent directors (as defined below), two Board Representatives, and W. Alexander Holmes, Chairman of the Board and Chief Executive Officer, or CEO, of the Company. J. Coley Clark, Victor W. Dahir, Ambassador Antonio O. Garza, Michael P. Rafferty, W. Bruce Turner and Peggy Vaughan currently serve as independent directors on the Board. An independent director means a director or director nominee who satisfies all standards for independence under the Nasdaq Stock Market, or Nasdaq, listing standards. Messrs. Lawry and Rao currently serve as Board Representatives, pursuant to the rights of the Investors under the Purchase Agreement. Each of the Company's current directors is seeking re-election at the 2018 annual meeting of stockholders.

## **Director Independence**

Because the Board Representatives have the majority of the votes of our Board, the Company has elected to be treated as a controlled company for purposes of the Nasdaq listing standards. As a result, the Nasdaq listing standards do not require our Board to be comprised of at least a majority of independent directors or our Human Resources and Nominating Committee to be comprised entirely of independent directors. The Nasdaq listing standards do, however, require our Audit Committee to be comprised entirely of independent directors. The Board has determined that the following directors or

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director nominees are independent within the meaning of the Nasdaq listing standards: Ms. Vaughan, Messrs. Clark, Dahir, Rafferty and Turner and Amb. Garza.

### **Board Meetings**

The Board held twenty-four meetings during 2017. Each director attended at least 75% of the aggregate number of meetings of the Board and meetings of the committees on which the director served.

### **Attendance at Annual Stockholder Meetings**

Under our Corporate Governance Guidelines, directors are expected to attend the annual meeting of stockholders, Board meetings and meetings of committees on which they serve. Each director attended the 2017 annual meeting of stockholders.

### **Meetings of Non-Management Directors**

The Board schedules regular executive sessions of the non-management directors. The Board chooses one of its non-management members to preside over each such executive session of non-management directors. In 2017, the Board held four executive sessions of the non-management directors, which included all directors except Ms. Patsley and Mr. Holmes.

### **Meetings of Independent Directors**

Pursuant to our Corporate Governance Guidelines and the Nasdaq listing standards, the Board schedules an executive session of the independent directors at least twice annually. In 2017, the Board held four executive sessions of the independent directors. The Company does not have a lead independent director. The Board does, however, choose one independent director to preside over each executive session of independent directors.

### **Board Leadership Structure**

The Board reviews its leadership structure periodically. Mr. Holmes has been CEO of the Company since January 1, 2016, has been a member of the Board since December 10, 2015 and, effective February 2, 2018, was appointed as the Chairman of the Board. At this time, we believe that a combined Chairman and CEO is the most desirable approach for the Company because it creates efficiencies and enables the CEO to act as a bridge between management and the Board.

### **Board's Role in Risk Oversight**

The Board is responsible for providing oversight of risk management functions, including the Company's policies and strategies relating to the management of credit, liquidity, market, financial and operational risks. The Board regularly assesses management's response to critical risks and recommends changes to management, including changes in leadership, where appropriate.

The Board meets periodically with key members of management to review the Company's business and agree upon its strategy and the risks involved with such strategy. Management and the Board discuss the amount of risk the Company is willing to accept related to implementing our strategy. On a periodic basis throughout the year, management responsible for managing credit, liquidity, market, financial and key operational risks, including legal, regulatory compliance, fraud, information technology and security, meet directly with the Board and with the Audit Committee to provide an update on key risks and their processes and systems to manage the risks. The Board approves management's policies related to key risk areas and provides timely input to management regarding risk issues and the appropriateness of management's response. The Board also approves actions surrounding our capital structure, debt agreements, dividend and interest payments, and legal settlements, evaluates potential key acquisitions, and approves the annual budget. Key finance, accounting and treasury management meet directly with the Board to provide an update on our financial results.

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The Board delegates responsibility for overseeing certain risks to the Audit Committee. The Audit Committee monitors the quality and integrity of our financial statements and, along with the Compliance and Ethics Committee, our compliance with legal and regulatory requirements. The Audit Committee is also responsible for understanding risk assessment and risk management policies. The internal audit function reports directly to the Audit Committee and is responsible for testing, on a risk basis, management's compliance with policies and procedures. On an annual basis, the Audit Committee reviews the internal audit function and internal audit reports and regularly meets with management regarding updates on key risks and their processes and systems to manage the risks. The Audit Committee also reviews and approves the annual audit plan and regularly reports to the Board. For additional information with respect to the Audit Committee, see Part Two Board of Directors and Governance Board Committees Audit Committee in this proxy statement.

### **Board Committees**

The Board currently maintains two standing committees: the Audit Committee and Human Resources and Nominating Committee. As a controlled company under the Nasdaq listing standards, MoneyGram is not required to maintain compensation and nominating committees comprised only of independent directors. In addition, we have established a Compliance and Ethics Committee comprised of certain non-employee members of the Board.

### ***Audit Committee***

The Audit Committee currently consists of Ms. Vaughan and Messrs. Dahir (Chair), Rafferty and Turner.

The Audit Committee has been established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Membership on the Audit Committee is limited to independent directors, and the Board has determined that each member of the Audit Committee is an independent director under the Nasdaq listing standards and the rules of the Securities and Exchange Commission, or the SEC. The Board has also determined that all members of the Audit Committee are financially literate under the Nasdaq listing standards and that Messrs. Dahir and Rafferty each qualify as an audit committee financial expert under the rules of the SEC and possess financial sophistication as defined under the Nasdaq listing standards. No member of the Audit Committee simultaneously served on the audit committee of more than three public companies during 2017.

The Audit Committee held seven meetings in 2017. The Board has adopted a separate written charter for the Audit Committee, which is available at [ir.moneygram.com](http://ir.moneygram.com). A copy of the Audit Committee charter is also available in print to any stockholder who submits a request to MoneyGram International, Inc., 2828 North Harwood Street, 15th Floor, Dallas, Texas 75201, Attention: Corporate Secretary.

The Audit Committee reports regularly to the Board and annually evaluates its own performance. The Audit Committee meets periodically during the year, in conjunction with regular meetings of the Board, and to review quarterly earnings and related press releases and management's discussion and analysis of financial condition and results of operation for inclusion in our quarterly reports on Form 10-Q and our annual report on Form 10-K filed with the SEC. The Audit Committee appoints our independent registered public accounting firm and assists the Board in monitoring the quality and integrity of our financial statements, the independence and performance of our internal auditor and our independent registered public accounting firm, and, along with the Compliance and Ethics Committee, our compliance with legal and regulatory requirements. The Audit Committee meets regularly in executive session with our independent registered public accounting firm. The independent registered public accounting firm reports directly to the Audit Committee, and the head of the Company's internal audit function reports directly to the Audit Committee Chair. For additional information regarding the responsibilities of the Audit Committee, see Part Two Board of Directors and Governance Board's Role in Risk Oversight in this proxy statement.

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### ***Human Resources and Nominating Committee***

The Human Resources and Nominating Committee, or the HRNC, currently consists of Messrs. Clark (Chair) and Lawry and Amb. Garza.

The HRNC held five meetings in 2017. The Board has adopted a separate written charter for the HRNC, which is available at [ir.moneygram.com](http://ir.moneygram.com). A copy of the HRNC charter is also available in print to any stockholder who submits a request to MoneyGram International, Inc., 2828 North Harwood Street, 15th Floor, Dallas, Texas 75201, Attention: Corporate Secretary.

The HRNC reports regularly to the Board and annually evaluates its own performance. It meets periodically during the year, in conjunction with regular meetings of the Board. The HRNC oversees development and implementation of a compensation strategy designed to enhance profitability and fundamental value for the Company. It also reviews and approves the salary and other compensation of the Chairman, the CEO and our other executive officers, as well as the compensation and benefits of our non-employee directors. The HRNC determines incentive compensation targets and awards under various compensation plans and makes grants of stock options and other awards under our stock incentive plans. The HRNC also approves the grant of equity compensation to executive officers of the Company, and has delegated authority to the CEO and the chief human resources officer for the recruitment and promotional grants of equity compensation to non-executive officers. During 2017, the HRNC utilized the services of Lyons, Benenson & Company Inc., or LB&Co., as its compensation consultant. In 2017, LB&Co. assisted the HRNC with an evaluation of the Company's peer group and executive and director compensation matters. For additional information regarding our compensation consultant, see Part Four Other Important Information Compensation Discussion and Analysis Role of the Compensation Consultant in this proxy statement.

The HRNC is also responsible for recommending to the Board a slate of directors for election by the stockholders at each annual meeting and for proposing candidates to fill any vacancies on the Board. The HRNC is also responsible for assessing the Board's performance and reviewing our Corporate Governance Guidelines. The HRNC may form subcommittees and delegate authority to such subcommittees when appropriate and when unanimously approved by the HRNC.

### ***Compliance and Ethics Committee***

The Compliance and Ethics Committee currently consists of Amb. Garza (Chair) and Messrs. Lawry, Rao and Turner. This committee, among other things, oversees the Company's programs, policies and procedures regarding compliance with applicable laws and regulations, including the Company's Code of Conduct, anti-corruption policy and anti-fraud and anti-money laundering policies and oversees the activities of the Company's chief compliance officer with respect thereto. The Compliance and Ethics Committee also oversees the Company's compliance with the Deferred Prosecution Agreement (the "DPA") entered into among the Company and the U.S. Department of Justice and the U.S. Attorney's Office for the Middle District of Pennsylvania.

### **Compensation Committee Interlocks and Insider Participation**

The directors that served as members of the HRNC during the year ended December 31, 2017 were Messrs. Clark (Chair), Lawry and Amb. Garza. No member of the Company's HRNC is a current or former officer or employee of the Company. During the year ended December 31, 2017, none of our executive officers served as a director or member of the compensation committee (or other committee performing similar functions) of another entity when an executive officer of such entity served as a director of the Company or on the HRNC.

### **Communications with the Board**

Stockholders or other interested parties may communicate with our non-management directors as a group, committees of the Board or individual directors by writing to MoneyGram International, Inc.,



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2828 North Harwood Street, 15th Floor, Dallas, Texas 75201, Attention: Corporate Secretary. Upon receipt, the Corporate Secretary will forward all such correspondence, as appropriate. Complaints and concerns regarding MoneyGram may also be reported anonymously and confidentially via MoneyGram's Ethics Line at 800-494-3554. Our Policy on Communications with the Board is contained in our Corporate Governance Guidelines, which are posted at [ir.moneygram.com](http://ir.moneygram.com). Copies of the Guidelines are also available in print to any stockholder who submits a request to MoneyGram International, Inc., 2828 North Harwood Street, 15th Floor, Dallas, Texas 75201, Attention: Corporate Secretary.

## **Director Nominee Criteria and Process**

Our Corporate Governance Guidelines describe the process for selection of director nominees, including desired qualifications. Although there are no minimum qualifications for nominees, a candidate for Board service must possess the ability to apply good business judgment, have demonstrated the highest level of integrity, be able to properly exercise the duties of loyalty and care in the representation of the interests of our stockholders and must be able to represent all of our stockholders fairly and equally. Candidates should also exhibit proven leadership capabilities, and experience in business, finance, law, education, technology or government. In addition, candidates should have an understanding of major issues facing public companies similar in scope to MoneyGram. Experience in payments, financial services or consumer products is an added benefit. Candidates must have, and be prepared to devote, adequate time to the Board and its committees. Although no formal policy exists, the HRNC seeks to promote through the nomination process an appropriate diversity of experience (including international experience), expertise, perspective, age, gender and ethnicity, and includes such diversity considerations when appropriate in connection with potential nominees. The Board will also consider the independence of a nominee under the Nasdaq listing standards and applicable SEC regulations.

In general, candidates for membership to the Board are evaluated, regardless of the source of the nomination, by the HRNC for recommendation to the Board in accordance with its charter and the procedures described in the Corporate Governance Guidelines.

A stockholder who wishes to nominate a person for the election of directors must ensure that the nomination complies with our Bylaw provisions on making stockholder nominations at an annual meeting. For information regarding stockholder proposals for our 2019 annual meeting of stockholders, see the section entitled "Part Four Other Important Information Stockholder Proposals for the 2019 Annual Meeting" in this proxy statement.

So long as the Investors or their affiliates own, in the aggregate, common stock or D Stock representing an initial cost of not less than \$75 million, they are entitled to nominate and cause the Company to appoint replacements for the Board Representatives. See "Part Two Board of Directors and Governance Board Representation" for more information regarding the Investors' rights with respect to representation on the Board.

## **Other Corporate Governance Matters**

*Corporate Governance Guidelines.* Our Board has adopted Corporate Governance Guidelines that describe corporate values and ethical business conduct, duties of directors, Board operations and committee matters, director qualifications and selection process, director compensation, director independence standards, director retirement age, CEO evaluation, management succession, process for stockholders or other interested parties to communicate with directors and annual Board evaluations. The Guidelines are available at [ir.moneygram.com](http://ir.moneygram.com). Copies of the Guidelines are also available in print to any stockholder who submits a request to MoneyGram International, Inc., 2828 North Harwood Street, 15th Floor, Dallas, Texas 75201, Attention: Corporate Secretary.

*Code of Conduct.* All of our directors and employees, including our principal executive officer, principal financial officer, principal accounting officer and controller, or persons performing similar

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functions, are subject to our Code of Conduct and the provisions regarding corporate values and ethical business conduct contained in our Corporate Governance Guidelines. These documents are available at [ir.moneygram.com](http://ir.moneygram.com). Copies of these documents are also available in print to any stockholder who submits a request to MoneyGram International, Inc., 2828 North Harwood Street, 15th Floor, Dallas, Texas 75201, Attention: Corporate Secretary. The Company intends to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding amendments to, or waivers from, our Code of Conduct by posting such information on our website.

*Committee Authority to Retain Independent Advisors.* Each committee of the Board has the authority to retain independent advisors and consultants, with all fees and expenses to be paid by the Company.

*Whistleblower Procedures.* The Audit Committee has established procedures for complaints whereby employees of the Company may submit a good faith complaint of workplace practices or policies that they believe to be in violation of law, against public policy, fraudulent or unethical, including accounting, internal accounting controls or auditing matters, without fear of dismissal or retaliation. MoneyGram is committed to achieving compliance with all applicable securities laws and regulations, accounting standards, accounting controls and auditing practices. In order to facilitate the reporting of employee complaints, the Audit Committee has established procedures for the receipt, retention and treatment of complaints, and confidential, anonymous submission by employees of concerns regarding such questionable matters.

*Disclosure Committee.* We have established a Disclosure Committee comprised of members of management and chaired by our Corporate Controller to assist in fulfilling our obligations to maintain disclosure controls and procedures and to coordinate and oversee the process of preparing our periodic securities filings with the SEC.

*Asset/Liability Committee.* We have established an Asset/Liability Committee comprised of members of management and chaired by our Chief Financial Officer, or CFO, to oversee and make recommendations to the Board regarding financial policies and procedures of the Company.

*No Executive Loans.* We do not extend loans to our executive officers or directors and do not have any such loans outstanding.

*Majority Vote Standard.* In an uncontested election, our Bylaws require directors to be elected for a one-year term by the vote of the majority of the voting power of the voting stock outstanding as of the record date and voted with respect to the director. A majority of the votes cast means that the voting power of the stock voted FOR a director must exceed the voting power of the stock voted AGAINST that director. In a contested election, a situation in which the number of nominees exceeds the number of directors to be elected as of a date that is 14 days in advance of the date of filing of the definitive proxy statement, the standard for election of directors would be a plurality of the voting power of the stock represented in person or by proxy at any such meeting and entitled to vote on the election of directors. A plurality means that the nominees receiving the highest percentage of voting power of the stock would be elected. If a nominee who is serving as a director is not elected at this annual meeting of stockholders, under Delaware law the director would continue to serve on the Board as a holdover director. However, under our Bylaws, any director who fails to be elected must offer to tender his or her resignation to the Board. The HRNC will then make a recommendation to the Board whether to accept or reject the resignation, or whether other action should be taken. The Board will act on the HRNC's recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date the election results are certified. The director who tenders his or her resignation will not participate in the Board's decision. If a nominee who was not already serving as a director is not elected at the annual meeting of stockholders, under Delaware law that nominee would not become a director and would not serve on the Board as a holdover director.

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**PART THREE**

**PROPOSALS TO BE VOTED ON AT THE 2018 ANNUAL MEETING**

**PROPOSAL 1: ELECTION OF DIRECTORS**

**Director Nominees Qualifications and Background**

The following individuals are nominated as directors for terms expiring at the 2019 annual meeting of stockholders: Ms. Vaughan, Messrs. Clark, Dahir, Holmes, Lawry, Rafferty, Rao and Turner and Amb. Garza. Each of these individuals is currently serving as a director of the Company. Each of the nominees has consented to being named in this proxy statement and to serve as a director if elected. Each nominee elected as a director will continue in office until his or her successor has been elected and qualified or until his or her death, resignation or retirement. If any nominee is unable to serve, proxies will be voted in favor of the remaining nominees and may be voted for another person nominated by the Board. In making its recommendation to the Board for a slate of directors for election by the Company's stockholders, the HRNC considered the criteria described in Part Two Board of Directors and Governance Director Nominee Criteria and Process in this proxy statement. The biographies of each of the director nominees below contain information regarding age, the year they first became directors, business experience, other public company directorships held currently or at any time during the last five years, involvement in certain legal or administrative proceedings, if applicable, and the experience, qualifications, attributes or skills that caused the HRNC to determine that they should serve as directors of the Company.

**J. Coley Clark, 72, Director since 2010**

Mr. Clark is the retired Chief Executive Officer and Chairman of the Board of BancTec, Inc., a global provider of document and payment processing solutions. Prior to his retirement in December 2016, he was Co-Chairman of the Board (from 2014 to December 2016) and Chairman of the Board and Chief Executive Officer of BancTec, Inc. (from September 2004 to 2014). In 2004, Mr. Clark retired from Electronic Data Systems Corporation, or EDS, an outsourcing services company that was acquired by Hewlett-Packard in 2008, as Senior Vice President and head of the Financial and Transportation Industry Group. He joined EDS in 1971 in the Systems Engineering Development Program and progressed through a variety of technical, sales and management roles related to the financial and insurance industries. He assumed responsibility for the Financial Industry Group in 1986 and was named a corporate officer in 1989. Mr. Clark was appointed a Senior Vice President in 1996 and served as a member of the Global Operations Council at EDS, which was the senior management group within the company. In addition, Mr. Clark served three years in the U.S. Army, attaining the rank of Captain, and served as a company commander in Europe and Southeast Asia.

*Director Criteria:* Mr. Clark brings over 30 years of experience in the financial industry to the Board. Through his position as Chairman and Chief Executive Officer of BancTec, Inc. and his numerous positions at EDS, Mr. Clark has demonstrated his strong leadership skills and his ability to understand day-to-day operations, as well as the broader strategic issues facing a public company. In addition, Mr. Clark's prior service on public company boards and committees provides him with a broad perspective on various governance and other matters.

**Victor W. Dahir, 72, Director since 2010**

Mr. Dahir worked for Visa U.S.A. Inc. (now Visa Inc.), a global payment technology company, from 1984 until his retirement in 2005, most recently as Executive Vice President, Finance and Administration and Chief Financial Officer of Inovant LLC, a subsidiary of Visa. He served as the Chief Financial Officer of Visa Inc. from 1991 to 2004 and held other positions of increasing responsibility from 1984 to 1991.

*Director Criteria:* Mr. Dahir brings over 40 years of finance and accounting experience to the Board, including serving over 15 years as Chief Financial Officer of Visa Inc. Through these years

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Mr. Dahir has developed an expertise in financial services and has gained experience in several other areas that are valuable to the Board, including risk management, technology, legal, relationship management and banking regulation.

**Antonio O. Garza**, 58, Director since 2012

Amb. Garza has served as Counsel in the Mexico City office of White & Case LLP, an international law firm, since 2009. From 2002 to 2009, Amb. Garza was the U.S. Ambassador to Mexico. Prior to that time Amb. Garza served as chairman of the Texas Railroad Commission, having been elected to that statewide office in 1998. Amb. Garza is a past partner at Bracewell & Patterson LLP (now Bracewell) and served as Secretary of State of the State of Texas and Senior Policy Advisor to the Governor of the State of Texas from 1994 to 1997. Amb. Garza currently serves as a director of Kansas City Southern, a railroad company, and Chairman of the Board of Kansas City Southern de México, a subsidiary of Kansas City Southern. Amb. Garza serves on the Board of Trustees of Southern Methodist University.

*Other public company boards served on in the past five years:* Basic Energy Services, Inc. (2009-2016).

*Director Criteria:* Amb. Garza brings to the Board an extensive government and regulatory background and deep experience with international business, especially in Mexico and Latin America. Amb. Garza also has valuable perspective balancing management of initiatives to achieve corporate objectives in highly regulated environments both in the U.S. and Mexico.

**W. Alexander Holmes**, 43, Director since 2015

Mr. Holmes has served as CEO of the Company since January 1, 2016 and Chairman of the Board since February 2, 2018. Prior to that, Mr. Holmes was Executive Vice President, CFO and Chief Operating Officer of the Company since February 2014 and Executive Vice President and CFO since March 2012. He joined the Company in 2009 as Senior Vice President of Corporate Strategy and Investor Relations. From 2003 to 2009, Mr. Holmes served in a variety of positions at First Data Corporation, including chief of staff to the Chief Executive Officer, Director of Investor Relations and Senior Vice President of Global Sourcing & Strategic Initiatives. From 2002 to 2003, he managed Western Union's Benelux region from its offices in Amsterdam.

*Director Criteria:* Mr. Holmes leads the Company as the CEO and brings to the Board extensive knowledge of the Company and its strategy gained through his demonstrated leadership and performance in all aspects of our business. Through his numerous executive positions at the Company and in other roles in the payment services industry, Mr. Holmes has experience in business operations, finance, international business and strategy development.

**Seth W. Lawry**, 53, Director since 2008

Mr. Lawry is an Advisory Partner of Thomas H. Lee Partners, L.P. and worked at THL from 1989 to 1990, rejoining the firm in 1994 until his retirement in 2016. From 1987 to 1989 and 1992 to 1994, Mr. Lawry worked at Morgan Stanley & Co. Incorporated, a global financial services company (Morgan Stanley), in the Mergers & Acquisitions, Corporate Finance and Equity Capital Markets Departments. He currently serves as a director of various private and non-profit institutions.

*Director Criteria:* Mr. Lawry is one of the Board Representatives designated by THL, as discussed above in Part Two Board of Directors and Governance. Mr. Lawry brings over 25 years of finance, banking and managerial experience to the Board that he gained from his positions at THL and Morgan Stanley, including experience in mergers and acquisitions and capital markets. In addition, his service as a director at various public and private companies and non-profit institutions provides him with unique and valuable perspectives that he shares with the Board.

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### **Michael P. Rafferty**, 63, Director since March 2016

Mr. Rafferty was a member of Ernst & Young LLP, a global public accounting firm, from 1975 until his retirement in 2013. He was admitted as a Partner of Ernst & Young LLP in 1988 and served as the Audit Practice Leader for the Southwest Region from 2004 until 2013. During his career with Ernst & Young LLP, he primarily served clients in the financial services and healthcare industries. Mr. Rafferty currently serves as a director and chairman of the audit committee of Triumph Bancorp, Inc., a financial holding company with a diversified line of community banking and commercial finance activities. Mr. Rafferty is a Certified Public Accountant licensed in Texas.

*Director Criteria:* Mr. Rafferty brings extensive financial and accounting knowledge and experience in the financial services industry to the Board as a result of his nearly 40-year tenure with Ernst & Young LLP, current service as a director and chairman of the audit committee of another public company and background as a Certified Public Accountant.

### **Ganesh B. Rao**, 41, Director since 2008

Mr. Rao is a Managing Director of Thomas H. Lee Partners, L.P. Mr. Rao worked at THL from 2000 to 2002 and rejoined the firm in 2004 where he has worked since that time. From 1998 to 2000, Mr. Rao worked at Morgan Stanley in the Mergers & Acquisitions Department. Mr. Rao currently serves as a director of Black Knight Financial Services, Inc. a technology and analytics provider to the mortgage and finance industries, and is a director of various private companies.

*Other public company boards served on in the past five years:* Nielsen Holdings N.V. (2013-2014).

*Director Criteria:* Mr. Rao is one of the Board Representatives designated by THL, as discussed above in Part Two Board of Directors and Governance. Mr. Rao brings significant finance and business experience, including mergers and acquisitions experience, to the Board that he gained through his positions at THL and Morgan Stanley. Mr. Rao's viewpoints and ability to communicate and work with management have proven valuable to the Board.

### **W. Bruce Turner**, 58, Director since 2010

Mr. Turner served as the Chief Executive Officer of Lottomatica S.p.A., a global lottery operations and technology services company, from 2006 to 2008. From 2002 to 2006, he served as Chief Executive Officer, as well as other executive roles, of GTECH Holdings Corporation, a global technology services company in the government regulated lottery industry, and now a subsidiary of Lottomatica. From 2001 to 2002, Mr. Turner served as Chairman of GTECH and from 2000 to 2001, he served as Chairman and Acting Chief Executive Officer. Prior to joining GTECH, Mr. Turner was the Managing Director, Gaming Equity Research, of Salomon Smith Barney Inc. from 1993 to 1999.

*Director Criteria:* Mr. Turner brings significant leadership experience, financial acumen and regulatory experience to the Board that he gained through the numerous executive positions that he has held throughout the years, including serving as chairman of the board and chief executive officer of a public company. Mr. Turner also has substantial public company board and committee experience, through which he has handled a variety of governance, audit, regulatory and international issues. From this experience, Mr. Turner has been able to provide the Board with a diverse perspective and valuable insights.

### **Peggy Vaughan**, 64, Director since 2014

Ms. Vaughan currently advises portfolio companies in technology, life sciences, consumer goods, financial services and media industries, and also serves on the advisory committee for TWV Capital Management, LLC. From 1979 to 2001, Ms. Vaughan held various consulting positions of increasing responsibility with PricewaterhouseCoopers (PwC), becoming a partner in 1988 and serving on the PwC U.S. Board of Partners and Global Oversight Board. Following the acquisition of PwC Consulting

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by IBM in 2002, Ms. Vaughan served as a member of the Global Management Board with responsibility for the integration of consulting practices and also served as the global leader of consulting services lines.

*Director Criteria:* Ms. Vaughan's experience includes more than 25 years leading large-scale strategic, operational improvement, restructuring, technology and change management engagements. Her expertise includes information technology governance, digital technology, mergers and acquisitions and transaction integration, business strategy and operational management processes for industries such as energy, high technology, consumer products, financial services and telecommunications.

## **Director Compensation**

The HRNC is responsible for reviewing the total compensation of non-employee directors, including cash and equity compensation, and, from time to time, recommending adjustments to such compensation, as appropriate, to the Board. For 2017, non-employee directors of MoneyGram (other than the Board Representatives) received compensation in the form of annual cash and equity retainers. While MoneyGram does not pay meeting fees, the Company does reimburse its directors for reasonable out-of-pocket expenses incurred in connection with a director's Board service.

MoneyGram's philosophy for non-employee director compensation is to provide competitive compensation, both cash and equity, to ensure the Company's ability to attract and retain highly qualified individuals to serve on our Board. For 2017, on the basis of a competitive analysis undertaken by LB&Co., the HRNC's current independent consultant, non-employee directors (other than the Board Representatives) received the following compensation:

Each Committee Chair received an annual cash retainer of \$20,000.

Each non-employee director who was not a Committee Chair, but who served on two Committees of the Board, received an annual multiple committee service cash retainer of \$10,000.

Each non-employee director also received a cash retainer of \$100,000, paid in arrears in four equal installments on the first business day following each calendar quarter.

The annual equity retainer for non-employee directors was granted as restricted stock units, or RSUs, having a fair market valuation of approximately \$125,000 at the time of grant, rounded up to the next whole share in order to avoid the issuance of fractional shares. Annual equity retainers for non-employee directors are coincident each year with the date of the annual stockholders' meeting. These RSUs vest one year from the date of grant. Directors may elect to defer the settlement date of the RSUs subject to such award until following such director's separation from service on our Board.

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The following table sets forth information on the compensation of MoneyGram's non-employee directors for the fiscal year ended December 31, 2017. Mr. Holmes and Ms. Patsley were compensated only in their capacity as executive officers of the Company, and did not receive any additional compensation for their services as directors. The total compensation provided to Mr. Holmes and Ms. Patsley for service during 2017 is set forth in the Summary Compensation Table.

NON-EMPLOYEE	FEES EARNED OR PAID IN CASH (1)	STOCK AWARDS (2)	TOTAL
<b>DIRECTOR</b>			
J. Coley Clark	\$ 120,000	\$ 125,017	\$ 245,017
Victor W. Dahir	\$ 120,000	\$ 125,017	\$ 245,017
Antonio O. Garza	\$ 120,000	\$ 125,017	\$ 245,017
Seth W. Lawry(3)			
Michael P. Rafferty	\$ 100,000	\$ 125,017	\$ 225,017
Ganesh B. Rao(3)			
W. Bruce Turner	\$ 110,000	\$ 125,017	\$ 235,017
Peggy Vaughan	\$ 100,000	\$ 125,017	\$ 225,017

(1) *Cash Compensation:* For the year 2017, each of our non-employee directors (other than the Board Representatives) received an annual cash retainer of \$100,000 for Board service. MoneyGram also paid an annual cash retainer of \$20,000 to each Committee Chair. Additionally, each non-employee director (other than the Board Representatives) who was not a Committee Chair but who served on two Committees of the Board was paid an annual multiple committee service cash retainer of \$10,000.

(2) *Stock Awards:* These awards constitute the aggregate stock awards granted to each of our non-employee directors (other than the Board Representatives) for the year ended December 31, 2017. In 2017, each of our non-employee directors (other than the Board Representatives) received an equity grant of 7,189 RSUs, which RSUs had a grant date fair value, calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 ( FASB ASC 718 ), of approximately \$125,000 (rounded up to the next whole share in order to avoid the issuance of fractional shares) for Board service. These grants, which were made on June 12, 2017, will vest in full on the first anniversary of the date of grant, or June 12, 2018. Beginning in 2016, our non-employee directors may elect to defer the settlement date of the RSUs subject to each annual equity retainer stock award until following such director's separation from service on our Board. With respect to the stock awards made to our non-employee directors on June 12, 2017, Ms. Vaughan elected to defer settlement of the RSUs subject to such awards until following separation from service on our Board. The grant date fair values of the RSUs reported above have been determined based on the assumptions and methodologies set forth in Note 11 *Stock-Based Compensation* of the Notes to the Consolidated Financial Statements in our 2017 Annual Report on Form 10-K. As of December 31, 2017, each of our non-employee directors (other than the Board Representatives) held 7,189 outstanding, unvested RSUs.

(3) *THL Directors' Compensation:* In connection with the settlement of certain stockholder litigation in 2012, THL agreed to waive any compensation for its Board Representatives.

### **Director Stock Ownership Guidelines**

The Board has adopted Stock Ownership Guidelines that require each non-employee director to own equity at least equal in value to three times the amount of the annual cash retainer payable to non-employee directors. Directors are expected to achieve these ownership levels within the later of five years of the implementation of the guidelines or five years of their election to the Board. To determine the value of each director's equity ownership, and for the purposes of satisfying the ownership guidelines, the following forms of equity will be included in the value calculation: shares

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beneficially owned by the incumbent, his or her spouse and/or minor children, whether owned outright or in trust; and any time-based restricted stock or RSUs.

### **Board Voting Recommendation**

The Board unanimously recommends to the stockholders that they vote **FOR** the election of each director nominee.

Affiliates of THL have indicated their intent to vote all of their shares of common stock, which as of the record date represents approximately 42.8% of the voting power of our common stock, **FOR** each of the director nominees at this annual meeting of stockholders.

### **PROPOSAL 2: RATIFICATION OF APPOINTMENT OF**

#### **INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2018**

As previously disclosed in the Company's Current Report on Form 8-K filed on May 17, 2016, upon the approval of the Audit Committee, the Company dismissed Deloitte & Touche LLP ( Deloitte ) as its independent registered public accounting firm on May 11, 2016, and engaged KPMG as its independent registered public accounting firm for the fiscal year ending December 31, 2016 on May 17, 2016. The decision to dismiss Deloitte and engage KPMG was made as a part of a competitive bidding process to determine the Company's independent registered public accounting firm for the fiscal year ending December 31, 2016.

The reports of Deloitte on the Company's consolidated financial statements as of and for the year ended December 31, 2015 did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope or accounting principles. During the Company's fiscal year ended December 31, 2015 and the subsequent interim period through May 11, 2016, there were no disagreements with Deloitte on any matter of accounting principles or practices, financial statement disclosures, or auditing scope or procedures, which disagreements, if not resolved to the satisfaction of Deloitte, would have caused Deloitte to make reference to the subject matter of the disagreements in connection with its reports. As previously disclosed, during the Company's fiscal year ended December 31, 2015 and the subsequent interim period through May 11, 2016, there was one reportable event as defined in Item 304(a)(1)(v) of Regulation S-K, which is described below.

As previously disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, it was concluded that there existed a material weakness related to the operating effectiveness of a control that is designed to identify new balance sheet accounts within the Company's reconciliation software tool, ensuring that a reconciler and reviewer are appropriately assigned, which was remediated as of December 31, 2015 and which did not result in any material misstatements in the Company's consolidated financial statements included in such Annual Report. The Audit Committee has discussed the subject matter of the foregoing material weakness with Deloitte, and the Company has authorized Deloitte to respond fully to the inquiries of KPMG concerning the matter.

During the fiscal year December 31, 2015 and the subsequent interim period through May 17, 2016, neither the Company nor anyone on its behalf consulted with KPMG regarding any of the matters or events set forth in Item 304(a)(2)(i) or (ii) of Regulation S-K.

As previously disclosed, the Company provided Deloitte with a copy of the foregoing disclosures and requested that Deloitte furnish the Company with a letter addressed to the SEC stating whether or not Deloitte agrees with such disclosures or, if not, stating the respects in which it does not agree. The Company received the requested letter from Deloitte, and a copy of the letter was filed as Exhibit 16.1 to the Company's Current Report on Form 8-K filed on May 17, 2016.

The Audit Committee has selected KPMG as the independent registered public accounting firm to audit MoneyGram's books and accounts for the fiscal year ending December 31, 2018, subject to ratification by the stockholders. KPMG audited the Company's books and accounts for the year ended



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December 31, 2017. Representatives of KPMG are expected to be present at the meeting and will have the opportunity to make a statement and to respond to appropriate questions. Stockholder ratification of the appointment of KPMG as our independent registered public accounting firm is not required by our Bylaws or otherwise. However, the Board is submitting the appointment of KPMG to the stockholders for ratification as a matter of good corporate practice. If this appointment is not ratified by our stockholders, the Audit Committee will reconsider its selection. Even if the appointment is ratified, the Audit Committee, which is solely responsible for appointing and terminating our independent registered public accounting firm, may in its discretion direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interest of MoneyGram and its stockholders.

**Independent Registered Public Accounting Firm Fees**

Fees for professional services provided by Deloitte and KPMG for fiscal years 2017 and 2016 and Deloitte for fiscal year 2016, including related expenses, are as follows (in millions):

	<b>KPMG 2017</b>	<b>Deloitte 2017</b>	<b>KPMG 2016</b>	<b>Deloitte 2016</b>
Audit fees(1)	\$ 3.3	\$ 0.1	\$ 2.7	\$ 0.3
Audit-related fees(2)	\$ 0.4	\$	\$ 0.1	\$
Tax fees(3)	\$	\$ 1.0	\$	\$ 1.2
All other fees	\$	\$	\$	\$
<b>Total fees</b>	<b>\$ 3.7</b>	<b>\$ 1.1</b>	<b>\$ 2.8</b>	<b>\$ 1.5</b>

- (1) Audit fees for 2017 and 2016 include the audit of MoneyGram's consolidated financial statements, including quarterly reviews, the audit of management's assessment of the design and effectiveness of MoneyGram's internal control over financial reporting, international statutory audits and the separate audit of the financial statements of our subsidiary MoneyGram Payment Systems, Inc., as required for compliance and regulatory purposes.
- (2) Audit-related fees for 2017 and 2016 include professional fees for regulatory compliance filings in certain countries and two audits performed in accordance with Statement on Standards for Attestation Engagements (SSAE) No. 16, Reporting on Controls at a Service Organization. The SSAE 16 audits encompass internal controls for the Company's general controls over information technology and for official check processing and electronic payments services.
- (3) Tax fees in 2017 and 2016 consist of tax advisory services.

**Audit Committee Approval of Audit and Non-Audit Services**

The Audit Committee pre-approves all audit, audit-related and permitted non-audit services provided by the independent registered public accounting firm, including the fees and terms for those services. The Audit Committee has adopted a policy and procedures governing the pre-approval process for audit, audit-related and permitted non-audit services. The Audit Committee pre-approves audit and audit-related services in accordance with its review and approval of the engagement letter and annual service plan with the independent registered public accounting firm. Tax consultation and compliance services are considered by the Audit Committee on a project-by-project basis. Non-audit and other services will be considered by the Audit Committee for pre-approval based on business purpose, reasonableness of estimated fees and the potential impact on the firm's independence. The Chair of the Audit Committee is authorized to grant pre-approval of audit, audit-related or permissible non-audit services on behalf of the Audit Committee and is required to review such pre-approvals with the full Audit Committee at its next meeting.

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**Board Voting Recommendation**

The Board unanimously recommends to the stockholders that they vote FOR this Proposal 2.

Affiliates of THL have indicated their intent to vote all of their shares of common stock, which as of the record date represents approximately 42.8% of the voting power of our common stock, FOR the ratification of appointment of our independent registered public accounting firm for 2017 at this annual meeting of stockholders.

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**PART FOUR**

**OTHER IMPORTANT INFORMATION**

**AUDIT COMMITTEE REPORT**

The Audit Committee of the Board was comprised of the following non-employee directors during 2017: Messrs. Dahir (Chair), Rafferty and Turner and Ms. Vaughan. All of the members of the Audit Committee are independent within the meaning of the Nasdaq listing standards and the applicable SEC regulations. In addition, the Board has determined that all members of the Audit Committee are financially literate under the Nasdaq listing standards and that Messrs. Dahir and Rafferty each qualify as an audit committee financial expert under the rules of the SEC.

The Audit Committee operates under a written charter adopted by the Board, which is evaluated annually. The charter of the Audit Committee is available in the Investor Relations section of our website at [ir.moneygram.com](http://ir.moneygram.com). The Audit Committee selects, evaluates and, where deemed appropriate, replaces MoneyGram's independent registered public accounting firm. The Audit Committee has oversight of and also pre-approves all audit services, engagement fees and terms and all permitted non-audit services of the independent registered public accounting firm.

As previously disclosed in the Company's Current Report on Form 8-K filed on May 17, 2016, upon the approval of the Audit Committee, the Company dismissed Deloitte as its independent registered public accounting firm on May 11, 2016, and engaged KPMG as its independent registered public accounting firm for the fiscal year ending December 31, 2016 on May 17, 2016. The decision to dismiss Deloitte and engage KPMG was made as a part of a competitive bidding process to determine the Company's independent registered public accounting firm for the fiscal year ending December 31, 2016.

Management is responsible for MoneyGram's internal controls, internal audit and the financial reporting process. MoneyGram's independent registered public accounting firm is responsible for performing an independent audit of MoneyGram's consolidated financial statements in accordance with auditing standards generally accepted in the United States of America and issuing a report on MoneyGram's consolidated financial statements. The Audit Committee's responsibility is to monitor, oversee and review these processes.

During 2017, the Audit Committee reviewed MoneyGram's quarterly earnings and related press releases and management's discussion and analysis of financial condition and results of operation for inclusion in our quarterly reports on Form 10-Q and our annual report on Form 10-K, in each case prior to issuance. The Audit Committee also reviewed MoneyGram's audited financial statements for fiscal 2017 and met and held discussions with management and the independent registered public accounting firm for 2017, KPMG. Management represented to the Audit Committee, and KPMG concurred, that MoneyGram's consolidated financial statements for fiscal 2017 were prepared in accordance with accounting principles generally accepted in the United States of America, and the Audit Committee discussed the consolidated financial statements with KPMG. The Audit Committee discussed with KPMG matters required to be discussed by Auditing Standard No. 16, which superseded Auditing Standards No. 61, as amended (American Institute of Certified Public Accountants, Professional Standards, Volume 1, AU section 380), as adopted by the Public Company Accounting Oversight Board, or PCAOB, in Rule 3200T.

The Audit Committee also reviewed and discussed with management its assessment and report on the effectiveness of MoneyGram's internal control over financial reporting as of December 31, 2017, and with KPMG its attestation report on internal control over financial reporting. These reports are included in the 2017 Annual Report on Form 10-K.

KPMG also provided to the Audit Committee its letter required by applicable requirements of the PCAOB regarding KPMG's communications with the Audit Committee concerning independence, and the Audit Committee discussed with KPMG the accounting firm's independence and considered non-audit fees and services in assessing KPMG's independence.

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Based upon the Audit Committee's review and discussions set forth above, the Audit Committee recommended to the Board that the audited consolidated financial statements be included in the 2017 Annual Report on Form 10-K filed with the SEC.

Respectfully submitted,

Victor W. Dahir (Chair)

Michael P. Rafferty

W. Bruce Turner

Peggy Vaughan

**Table of Contents****SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS**

The following table sets forth information concerning beneficial ownership of our common stock and D Stock by those persons known by us to be the beneficial owners of more than five percent of any class of our equity securities as of March 8, 2018. We have determined beneficial ownership in accordance with the rules of the SEC. Under these rules, beneficial ownership generally includes voting or investment power over securities. The number of shares shown as beneficially owned in the table below are calculated pursuant to Rule 13d-3(d)(1) of the Exchange Act. Under Rule 13d-3(d)(1) of the Exchange Act, shares not outstanding that are subject to options, warrants, rights or conversion privileges exercisable within 60 days are deemed outstanding for the purpose of calculating the number and percentage owned by such person, but not deemed outstanding for the purpose of calculating the percentage owned by each other person listed. Therefore, the aggregate beneficial ownership percentages shown in the table below may total more than 100%.

Name and Address	Shares of Common Stock Beneficially Owned	Percent of Common Stock(1)	Shares of D Stock Beneficially Owned	Percent of D Stock	Percent of Common Stock (including D Stock on an as-converted basis)(2)
Funds affiliated with Thomas H. Lee Partners, L.P.(3)	23,737,858	42.8%			36.9%
The Goldman Sachs Group, Inc.(4)	38,152	*	71,281.9038	100%	13.9%

\* Less than 1%.

(1) Applicable percentage ownership is based on 55,460,583 shares of common stock outstanding as of March 8, 2018 for all stockholders.

(2) Applicable percentage ownership is based on 64,370,817 shares of common stock outstanding as of March 8, 2018 after giving effect to the conversion of the 71,281.9038 outstanding shares of D Stock into 8,910,234 shares of common stock.

(3) Certain of the information is based on information provided by the beneficial owners in the Schedule 13D/A filed with the SEC on January 30, 2017.

As of the record date, shares shown as beneficially owned by investment funds affiliated with Thomas H. Lee Partners, L.P. reflect an aggregate of the following record ownership: (i) 13,056,740 shares held by Thomas H. Lee Equity Fund VI, L.P.; (ii) 8,841,330 shares held by Thomas H. Lee Parallel Fund VI, L.P.; (iii) 1,544,404 shares held by Thomas H. Lee Parallel (DT) Fund VI, L.P.; (iv) 48,881 shares held by THL Equity Fund VI Investors (MoneyGram), LLC; (v) 45,950 shares held by THL Operating Partners, L.P.; (vi) 37,296 shares held by THL Coinvestment Partners, L.P.; (vii) 30,006 shares held by THL Managers VI, LLC (together with Thomas H. Lee Equity Fund VI, L.P., Thomas H. Lee Parallel Fund VI, L.P., Thomas H. Lee Parallel (DT) Fund VI, L.P., THL Equity Fund VI Investors (MoneyGram), LLC, THL Operating Partners, L.P. and THL Coinvestment Partners, L.P., the THL Funds ); (viii) 66,613 shares held by Putnam Investments Employees Securities Company III LLC (the Putnam Fund ); and (ix) 66,638 shares held by Great-West Investors, L.P. (the Great-West Fund ). THL Holdco, LLC is the managing member of Thomas H. Lee Advisors, LLC, which is the general partner of Thomas H. Lee Partners, L.P., which is the sole member of THL Equity Advisors VI, LLC, which is the general partner of Thomas H. Lee Equity Fund VI, L.P., Thomas H. Lee Parallel Fund VI, L.P. and Thomas H. Lee Parallel (DT) Fund VI, L.P. and the manager of THL Equity Fund VI Investors (MoneyGram), LLC. Thomas H. Lee Partners, L.P. is the general partner of THL Operating Partners, L.P. and THL Coinvestment Partners, L.P. Thomas H. Lee Partners, L.P. is the managing member of THL Managers VI, LLC. The Putnam Fund and the Great-West Fund are co-investment entities of the THL Funds, and are contractually obligated to co-invest (and dispose of securities) alongside certain of the THL Funds on a pro rata basis. Voting and investment



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determinations with respect to the shares held by the THL Funds are made by the private equity management committee of THL Holdco, LLC (the THL Committee ) consisting of Todd M. Abbrecht, Anthony J. DiNovi, Thomas M. Hagerty, Soren L. Oberg, Scott M. Sperling and Kent R. Weldon, and as such, each member of the THL Committee may be deemed to share beneficial ownership of the shares held or controlled by the THL Funds. Seth W. Lawry, as an advisory partner of THL and a Board Representative of the THL Funds, and Ganesh B. Rao, as a managing director of THL and a Board Representative of the THL Funds, may also be deemed to share beneficial ownership of the securities held or controlled by the THL Funds. Each member of the THL Committee, Mr. Lawry and Mr. Rao disclaims beneficial ownership of such securities except to the extent of his pecuniary interest therein. Putnam Investment Holdings, LLC ( Holdings ) is the managing member of the Putnam Fund. Holdings disclaims any beneficial ownership of any shares held by the Putnam Fund. Putnam Investments LLC, the managing member of Holdings, disclaims beneficial ownership of any shares held by the Putnam Fund. In addition to the stock owned directly and of record by the Great-West Fund, the Great-West Fund may be deemed to share dispositive and voting power over, and thus beneficially own, an additional 66,613 shares of our common stock. The Great-West Fund disclaims beneficial ownership of such shares. The address of each of the THL Funds, each member of the THL Committee and Mr. Rao is c/o Thomas H. Lee Partners, L.P., 100 Federal Street, 35th Floor, Boston, Massachusetts 02110. The address of the Putnam Fund is c/o Putnam Investment, Inc., 1 Post Office Square, Boston, Massachusetts 02109. The address of the Great-West Fund is 8515 East Orchard Road, Greenwood Village, Colorado 80111.

- (4) Certain of the information is based on information provided by the beneficial owners in the Schedule 13D/A filed with the SEC on April 4, 2014.

Beneficial ownership of The Goldman Sachs Group, Inc. encompasses the following: The Goldman Sachs Group, Inc. ( GS Group ), Goldman Sachs & Co. LLC, GSCP VI Advisors, L.L.C. ( GSCP Advisors ), GSCP VI Offshore Advisors, L.L.C. ( GSCP Offshore Advisors ), GS Advisors VI, L.L.C. ( GS Advisors ), Goldman, Sachs Management GP GmbH ( GS GmbH ), GS Capital Partners VI Fund, L.P. ( GS Capital ), GS Capital Partners VI Offshore Fund, L.P. ( GS Offshore ), GS Capital Partners VI GmbH & Co. KG ( GS Germany ), GS Capital Partners VI Parallel, L.P. ( GS Parallel ), GS Mezzanine Partners V Onshore Fund, L.L.C. ( GS Mezzanine Onshore GP ), GS Mezzanine Partners V Institutional Fund, L.L.C. ( GS Mezzanine Institutional GP ), GS Mezzanine Partners V Offshore Fund, L.L.C. ( GS Mezzanine Offshore GP ), GS Mezzanine Partners V Onshore Fund, L.P. ( GS Mezzanine Onshore ), GS Mezzanine Partners V Institutional Fund, L.P. ( GS Mezzanine Institutional ), GS Mezzanine Partners V Offshore Fund, L.P. ( GS Mezzanine Offshore ), GSMP V Onshore US, Ltd. ( GSMP Onshore ), GSMP V Institutional US, Ltd. ( GSMP Institutional ), GSMP V Offshore US, Ltd. ( GSMP Offshore ), and Broad Street Principal Investments, L.L.C. ( Broad Street and, together with the foregoing entities, the Goldman Entities ).

GS Group is a Delaware corporation and bank holding company that (directly and indirectly through subsidiaries or affiliated companies or both) is a leading global investment banking securities and investment management firm. Goldman Sachs & Co. LLC, a New York limited liability company, is an investment banking firm and a member of the New York Stock Exchange and other national exchanges. Goldman Sachs & Co. LLC also serves as the manager for GSCP Advisors, GSCP Offshore Advisors, GS Advisors, GS Mezzanine Onshore GP, GS Mezzanine Institutional GP and GS Mezzanine Offshore GP and the investment manager for GS Capital, GS Offshore, GS Germany and GS Parallel. Goldman Sachs & Co. LLC and Broad Street, a Delaware limited liability company, are wholly-owned, directly and indirectly, by GS Group. GSCP Advisors, a Delaware limited liability company, is the sole general partner of GS Capital. GSCP Offshore Advisors, a Delaware limited liability company, is the sole general partner of GS Offshore. GS Advisors, a Delaware limited liability company, is the sole general partner of GS Parallel and the managing limited partner of GS Germany. GS GmbH, a German company with limited liability, is the sole general partner of GS Germany. Each of GS Capital, a Delaware limited partnership, GS Offshore, a Cayman Islands exempted limited partnership, GS Germany, a German limited

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partnership, and GS Parallel, a Delaware limited partnership, was formed for the purpose of investing in equity, equity-related and similar securities or instruments, including debt or other securities or instruments with equity-like returns or an equity component. GS Mezzanine Onshore GP, a Delaware limited liability company, is the sole general partner of GS Mezzanine Onshore. GS Mezzanine Institutional GP, a Delaware limited liability company, is the sole general partner of GS Mezzanine Institutional. GS Mezzanine Offshore GP, a Delaware limited liability company, is the sole general partner of GS Mezzanine Offshore. GS Mezzanine Onshore, a Delaware limited partnership, is the sole shareholder of GSMP Onshore. GS Mezzanine Institutional, a Delaware limited partnership, is the sole shareholder of GSMP Institutional. GS Mezzanine Offshore, a Delaware limited partnership, is the sole shareholder of GSMP Offshore. Each of GSMP Onshore, GSMP Institutional, and GSMP Offshore, an exempted company incorporated in the Cayman Islands with limited liability, was formed for the purpose of investing in fixed income securities, equity and equity-related securities primarily acquired or issued in leveraged acquisitions, reorganizations and other private equity transactions and in other financial instruments.

As of the record date, GS Group has shared voting and dispositive power over 8,948,386 shares of our common stock upon conversion of our D Stock; Goldman Sachs & Co. LLC has shared voting and dispositive power over 8,948,386 shares of our common stock upon conversion of our D Stock; GSCP Advisors has shared voting and dispositive power over 3,235,793 shares of our common stock issuable upon conversion of our D Stock; GSCP Offshore Advisors has shared voting and dispositive power over 2,691,419 shares of our common stock issuable upon conversion of our D Stock; GS Advisors has shared voting and dispositive power over 1,004,787 shares of our common stock issuable upon conversion of our D Stock; GS GmbH has shared voting and dispositive power over 115,000 shares of our common stock issuable upon conversion of our D Stock; GS Capital has shared voting and dispositive power over 3,235,793 shares of our common stock issuable upon conversion of our D Stock; GS Offshore has shared voting and dispositive power over 2,691,419 shares of our common stock issuable upon conversion of our D Stock; GS Germany has shared voting and dispositive power over 115,000 shares of our common stock issuable upon conversion of our D Stock; GS Parallel has shared voting and dispositive power over 889,787 shares of our common stock issuable upon conversion of our D Stock; GS Mezzanine Offshore GP has shared voting power and dispositive power over 641,156 shares of our common stock issuable upon conversion of our D Stock; GS Mezzanine Institutional GP has shared voting and dispositive power over 44,710 shares of our common stock issuable upon conversion of our D Stock; GS Mezzanine Onshore GP has shared voting and dispositive power over 423,740 shares of our common stock issuable upon conversion of our D Stock; GS Mezzanine Offshore has shared voting and dispositive power over 641,156 shares of our common stock issuable upon conversion of our D Stock; GS Mezzanine Institutional has shared voting and dispositive power over 44,710 shares of our common stock issuable upon conversion of our D Stock; GS Mezzanine Onshore has shared voting and dispositive power over 423,740 shares of our common stock issuable upon conversion of our D Stock; GSMP Offshore has shared voting and dispositive power over 641,156 shares of our common stock issuable upon conversion of our D Stock; GSMP Institutional has shared voting and dispositive power over 44,710 shares of our common stock issuable upon conversion of our D Stock; GSMP Onshore has shared voting and dispositive power over 423,740 shares of our common stock issuable upon conversion of our D Stock; and Broad Street has shared voting and dispositive power over 623,394 shares of our common stock issuable upon conversion of our D Stock.

The Goldman Entities disclaim beneficial ownership of such shares beneficially owned by (i) any client accounts with respect to which the Goldman Entities or their employees have voting or investment discretion, or both, and (ii) certain investment entities of which the Goldman Entities act as the general partner, managing general partner or other manager, to the extent interests in such entities are held by persons other than the Goldman Entities. Additionally, Goldman Sachs & Co. LLC or another broker dealer subsidiary of GS Group may, from time to time, hold shares of common stock acquired in ordinary course trading activities. The address of the Goldman Sachs Group, Inc. is 200 West Street, New York, New York 10282.



**Table of Contents****SECURITY OWNERSHIP OF MANAGEMENT**

The following table sets forth information as of March 8, 2018 (except where otherwise noted therein) concerning beneficial ownership of our common stock by each director and director nominee, the Company's named executive officers (the "Named Executives") and all of our directors and executive officers as a group. None of these individuals owns shares of D Stock. Except as otherwise indicated, a person has sole voting and investment power with respect to the common stock beneficially owned by that person. We have determined beneficial ownership in accordance with the rules of the SEC. Under these rules, beneficial ownership generally includes voting or investment power over securities. The number of shares shown as beneficially owned in the table below are calculated pursuant to Rule 13d-3(d)(1) of the Exchange Act. Under Rule 13d-3(d)(1) of the Exchange Act, shares not outstanding that are subject to options, warrants, rights or conversion privileges exercisable within 60 days are deemed outstanding for the purpose of calculating the number and percentage owned by such person, but not deemed outstanding for the purpose of calculating the percentage owned by each other person listed. Therefore, the aggregate beneficial ownership percentages shown in the table below may total more than 100%.

<b>Name of Beneficial Owner</b>	<b>Shares of Common Stock Beneficially Owned(1)</b>	<b>Percent of Common Stock(2)</b>
J. Coley Clark	62,817	*
Victor W. Dahir	57,817	*
Antonio O. Garza	51,707	*
Seth W. Lawry(3)	23,737,858	42.8%
Pamela H. Patsley(4)	1,834,080	3.3%
Michael P. Rafferty	32,939	*
Ganesh B. Rao(3)	23,737,858	42.8%
W. Bruce Turner	99,858	*
Peggy Vaughan	51,378	*
W. Alexander Holmes	424,593	*
Juan Agualimpia(4)	147,197	*
Lawrence Angelilli	122,477	*
F. Aaron Henry	244,183	*
Grant Lines	182,060	*
All Directors and Executive Officers as a Group (17 persons total)(3)(5)	25,189,050	45.4%

\* Less than 1%.

- (1) Includes shares underlying options exercisable within 60 days of March 8, 2018, as follows: Ms. Patsley 1,067,198 shares; Mr. Holmes 136,111 shares; Mr. Angelilli 48,385 shares; and Mr. Henry 77,998 shares.
- (2) Applicable percentage ownership is based on 55,460,583 shares of common stock outstanding as of March 8, 2017.
- (3) Each of Messrs. Lawry and Rao is a Board Representative of THL. The total shares listed as beneficially owned for each Board Representative consist of the 23,737,858 shares of common stock held by funds affiliated with THL. Each of Messrs. Lawry and Rao disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein. Please see footnote (3) to the Security Ownership of Certain Beneficial Owners table above for more information regarding such shares of common stock.
- (4) Ms. Patsley's employment with the Company ended effective February 2, 2018. Mr. Agualimpia's employment with the Company ended effective July 7, 2017.

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- (5) Includes: 278,277 shares underlying options exercisable within 60 days of March 8, 2018, inclusive of shares discussed in footnote (1), above.

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**COMPENSATION COMMITTEE REPORT**

The Human Resources and Nominating Committee of the Board, which performs equivalent functions to a compensation committee, has reviewed and discussed with management the Compensation Discussion and Analysis section that follows and, based on such review and discussion, has recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

Respectfully Submitted,

J. Coley Clark (Chair)

Seth W. Lawry

Antonio O. Garza

**Table of Contents****COMPENSATION DISCUSSION AND ANALYSIS****Executive Summary*****Overview of Our Compensation Philosophy***

Our executive compensation program is designed to attract, motivate and retain top executive and managerial talent, and to reward our executives and managers for delivering results that are expected to build sustainable long-term value for our stockholders. The overall program is designed to be competitive with similar companies on the basis of industry focus, scope of operations and size, as well as the competitive marketplace for talent. We have created a compensation program that includes short-term and long-term components, cash and equity elements and fixed and performance-contingent payments that we believe:

Supports our performance-based approach to compensation to foster a goal oriented, highly motivated management team;

Provides an incentive for retention of key management members who are critical to the success of the long-term investments we are making in our business and our future growth initiatives; and

Improves organizational excellence and aligns our executives' objectives with those of our stockholders.

Based on this philosophy, we give substantial weight to performance-based compensation by making a significant portion of our executive officers' total compensation at-risk and based on the achievement of our corporate goals, which we believe aligns our executive officers' interests with those of our stockholders. The details of our current executive compensation programs are set forth later in this Compensation Discussion and Analysis, or CD&A.

Throughout this discussion, the following individuals are referred to as our Named Executives and are included in the Summary Compensation Table:

<b>Name</b>	<b>Title and Position During 2017</b>
Pamela H. Patsley	Executive Chairman
W. Alexander Holmes	CEO
Lawrence Angelilli	CFO
Juan Agualimpia	Chief Marketing Officer
F. Aaron Henry	General Counsel
Grant Lines	Chief Revenue Officer

Effective February 2, 2018, Ms. Patsley's employment with the Company ended. Effective July 7, 2017, Mr. Agualimpia's employment with MoneyGram ended.

***Overview of Our Business***

MoneyGram is a global provider of innovative money transfer services and is recognized worldwide as a financial connection to friends and family. MoneyGram provides global money transfer services in approximately 350,000 agent locations in more than 200 countries and territories. Whether online, through a mobile device, at a kiosk or in a local store, we connect consumers in any way that is most convenient for them. We also provide bill payment services, issue money orders and process official checks in the U.S. and in select countries. We primarily offer services through third-party agents, including retail chains, independent retailers, post offices and other financial institutions. We also offer Digital solutions, including moneygram.com, mobile solutions, account deposit and kiosk-based services. Additionally, we have Company-operated retail locations in the U.S. and Western Europe.

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### ***2017 Performance Highlights***

In 2017, we continued to advance our digital customer solutions, including moneygram.com, mobile solutions and direct-to-accounts. We made significant investments during the year, including agent productivity and profitability, continued enhancements to our compliance program and product development. Key performance highlights in 2017 include:

Total revenue was \$1,602.1 million, a 2% decrease on a reported and constant currency basis compared to 2016.

Net loss was \$29.8 million in 2017, including a one-time income tax benefit from the re-measurement of deferred tax assets and liabilities resulting from the Tax Cuts and Jobs Act of 2017 and an \$85.0 million accrual related to the DPA, compared to net income of \$15.9 million in 2016.

As previously disclosed, the Company and the government extended the DPA to provide both parties with additional time to discuss the Company's compliance with the DPA. Included in fourth quarter expenses, the Company recorded an \$85.0 million accrual in connection with a possible resolution of these discussions, which is based on the facts and circumstances known at the present time. However, the company is unable to reasonably estimate the ultimate cost of resolving these discussions, and no assurance can be given that future costs and payments made in connection with this matter will not exceed the amount currently recorded or that the government will not also seek to impose non-monetary remedies or penalties. Furthermore, there can be no assurance that the government will not seek any other remedy, including criminal prosecution and financial penalties, in lieu of an extension of the DPA and monitorship.

EBITDA was \$135.7 million and decreased by \$85.7 million when compared to 2016, primarily due to the \$85.0 million accrual related to the DPA.

Net loss and EBITDA included \$12.7 million of costs incurred in connection with the terminated merger with Ant Financial.

Adjusted EBITDA was \$275.9 million, a 5% increase on a reported and constant currency basis compared to 2016.

During 2017, the Company achieved significant Digital growth as a result of our continued investments in moneygram.com, mobile solutions and account deposit. In the fourth quarter of 2017, digital solutions represented 14% of total money transfer revenue, driven by 23% growth in revenue generated from transactions on moneygram.com. During 2017, we increased our digital assets, including further investment in moneygram.com, expanded MoneyGram Mobile Pass and strengthened our direct-to-account strategy.

The HRNC carefully considered these achievements in order to ensure that the compensation program for 2017 adequately reflects our compensation principles.

### ***Summary of 2017 Executive Compensation***

The following lists key compensation highlights and decisions for our Named Executives in 2017:

Approximately 80% and 83% of total target compensation for 2017, with respect to our Executive Chairman and our CEO, respectively, and between approximately 75% and 77% of total target compensation, with respect to our other Named Executives, is variable and tied to achievement of internal performance targets.

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The base salary for all but one of our Named Executives was unchanged in 2017 from 2016. See 2017 Compensation Review and Decisions Base Salary.

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Based on the Company's financial results for 2017, we achieved annual performance of 75% of the performance bonus plan. See 2017 Compensation Review and Decisions Annual Cash Incentive Plan.

Under our annual long-term incentive program, we granted long-term cash and equity awards that link the interests of our executives with those of our stockholders. For 2017, the long-term incentive awards were 25% performance-based RSUs, 25% performance-based cash and 50% time-based RSUs. See 2017 Compensation Review and Decisions Long-Term Incentives.

### **Executive Compensation Philosophy and Program Design**

MoneyGram and the Board are committed to ensuring that the executive compensation program is effectively designed to attract, motivate and retain top executive and managerial talent. We give substantial weight to performance-based compensation by making a significant portion of our executive officers' total compensation at-risk and based on the achievement of our corporate goals.

Our compensation program has been designed with the following objectives in mind:

#### **Overall Objectives**

Motivate our executives to:

Perform at a high level with the utmost integrity and accountability.

Support growth and long-term value creation for our stockholders.

Align the interests of our executives with those of our stockholders.

Position the Company to compete effectively in recruiting high-caliber, experienced leaders instrumental to the Company's long-term success.

Support the retention of the Company's executives who are critical to executing the Company's strategy for value creation.

Discourage excessive and imprudent risk-taking and encourage legal and regulatory compliance consistent with our business model and strategies.

#### **Pay Mix Objectives**

Pay our employees (1) competitively relative to the marketplace for talent in which we operate and (2) equitably relative to one another based on job scope and impact, the capabilities and experiences they possess and the performance they demonstrate by:

Providing a mix of both fixed and variable (at-risk) compensation, each of which has a different time horizon and payout form (cash and equity), to retain our key executives and reward the achievement of annual and long-term performance in light of the current industry and regulatory environment.

#### **Pay-For- Performance Objective**

Provide a strong link between pay and performance by:

Ensuring our compensation programs are consistent with, and supportive of, our short-and long-term strategic, operating and financial objectives.

Placing a significant portion of our executives' compensation at-risk, with payouts dependent on the achievement of both corporate and individual performance goals, which are set annually by the HRNC.

Encouraging balanced performance by employing multiple performance measures.

Applying judgment and reasonable discretion in making compensation decisions to avoid relying solely on formulaic program design, taking into account the current industry and regulatory environment.

### **Key Features of the Executive Compensation Program**

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Consistent with our philosophy, it is MoneyGram's goal to maintain an executive compensation program that is competitive, rooted in the principles of pay-for-performance and conforms to best practices in executive compensation and corporate governance. To this end, the HRNC routinely evaluates our practices and programs with respect to executive compensation in an effort to identify any opportunities for improvement that might exist. The Company's practices and programs include the



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following key features, each of which reinforces our executive compensation philosophy and objectives:

<i>No Excise Tax</i>	All legacy compensation provisions that would have allowed for excise tax gross-ups have been eliminated; the Company also does not plan to provide excise tax gross-ups in the future.
<i>Gross-Ups</i>	
<i>No Liberal Share</i>	The 2005 Omnibus Incentive Plan, which we refer to as the 2005 Plan, does not allow liberal share recycling, or the reuse of those shares withheld in full or partial payment of the exercise price relating to an award or in connection with the satisfaction of tax obligations relating to an award.
<i>Recycling</i>	
<i>Long-Term Incentive Grant Guidelines</i>	Taking into consideration the need to define annual long-term incentive opportunities for our executives, the Company has adopted a methodology for making annual long-term incentive grants. The Company adheres to regular, annual grant guidelines, which guidelines have been reviewed and approved by the HRNC from time to time, but at least annually, as appropriate. It is further anticipated that these grant guidelines will aid the Company in managing the rate at which it issues equity to its executives over the longer-term.
<i>Clawback Policy</i>	The Company may recover incentive compensation paid to an executive officer if it is later determined that the executive engaged in misconduct, acted in a manner contrary to the Company's interest or breached a non-competition agreement. The Company has also included in its bonus plan a provision that allows the Company to recoup or clawback prior bonuses from executives later determined to have contributed to compliance failures. Pursuant to the DPA, our bonus plan provides that certain executives, including the Named Executives, who are found to have engaged in any non-compliant acts in any year will forfeit any entitlement to and be ineligible for any annual cash incentive compensation for that year.
<i>Stock Ownership Guidelines</i>	The Company maintains Stock Ownership Guidelines applicable to senior level executives as well as to our non-employee directors. We fundamentally believe that stock ownership guidelines serve to align the interests of management and non-employee directors with those of our stockholders by requiring executives and directors to acquire and maintain a meaningful equity position in the Company, which, in turn, supports the Company's objective of building long-term stockholder value.
<i>Prohibition on Pledging and Hedging</i>	The Company's insider trading policy prohibits the Company's executive officers and directors from pledging the Company's securities or engaging in certain forms of hedging or short-term speculative trading of the Company's securities, including, without limitation, short sales or put or call options involving the Company's securities. We also prohibit certain employees, officers and directors from pledging MoneyGram securities as collateral for loans (including margin loans).
<i>Significant Portion of Total Compensation is Variable and Performance-Based</i>	For 2017, approximately 80% and 83% of the Executive Chairman's and CEO's total target compensation, respectively, and between approximately 75% and 77% of the total target compensation of the other Named Executives was variable and dependent upon performance of both the individual and the Company. The HRNC employs a framework to assess our performance on an absolute basis relative to our goals and objectives, which goals are designed to support our Board-approved business and financial plans; and on our progress against strategic initiatives.

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<i>Maximum Compensation Limits</i>	All of our incentive plans provide for maximum payout limits or caps.
<i>Annual Risk Assessment</i>	At least annually, the HRNC performs a risk assessment of our executive compensation arrangements to assess the relationship between the Company's risk management policies and practices and our compensation program and to ensure that our program does not motivate our executives to take excessive or unnecessary risks.
<i>Long-Term Incentive Awards with Performance and Service Based Vesting</i>	The outstanding long-term incentive awards held by our Named Executives include a combination of (i) time-vested RSUs, which promote long-term retention; (ii) performance-vested RSUs, which are granted contingently and earned only on the basis of achieving certain performance targets over the specified performance periods; (iii) stock options, which deliver value only to the extent that our stock appreciates in value between the grant and exercise dates, ensuring that our executives benefit only if our stockholders benefit; and (iv) performance-based long-term cash awards.

### Snapshot: How Compensation Is Delivered to Named Executives (Pay Mix)

Total direct compensation of our Named Executives for 2017 is comprised of the following:

#### CORE

	COMPENSATION ELEMENT	UNDERLYING PRINCIPLE	DESCRIPTION
<i>Fixed Compensation</i>	Base Salary	To provide a competitive level of fixed compensation that serves to attract and retain high-caliber talent and is predicated on responsibility, skills and experience.	Base salaries are generally reviewed annually and may be modified on the basis of merit, promotion, internal equity considerations and/or market adjustments.
<i>Variable Compensation</i>	Annual Incentive Award	To reward achievement of corporate, business unit (where applicable) and individual Named Executive goals and contributions to the Company.	Based on objective performance metrics, but also allows the HRNC to apply discretion in considering quantitative and qualitative performance. Annual incentive awards are delivered to our Named Executives in cash.
	Long-Term Incentive Award	To promote the recruitment and retention of our Named Executives, to reward performance that drives stockholder value creation and to align the interests of our management team with those of our stockholders.	Long-term incentive awards are delivered to our Named Executives in a combination of time-vested RSUs, performance-vested RSUs and performance-based cash awards.

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**Say-On-Pay and Say-When-On-Pay Advisory Votes**

At our annual meeting of stockholders in June 2017, our stockholders were provided the opportunity to cast a non-binding advisory vote on executive compensation (a say-on-pay vote). Through this say-on-pay vote, in which we received approximately 92% approval, our stockholders reaffirmed their strong support for our executive compensation program and practices. Following the say-on-pay vote, the HRNC considered the results of this vote and concluded that the Company's executive compensation program provides a competitive pay-for-performance package that effectively incentivizes our Named Executives and encourages long-term retention. As such, no significant changes have been made to the program as a result of the vote. At our annual meeting of stockholders in June 2017, we conducted a non-binding advisory vote on the frequency of future say-on-pay votes (a say-when-on-pay vote), and approximately 71% of votes were cast in favor of the Company holding a say-on-pay vote once every three years.

**Role of the Human Resources and Nominating Committee**

Structure of the HRNC: Currently, the HRNC consists of three members of the Board, two of whom qualify as independent under Nasdaq listing standards, including the Chairman of the HRNC. As a controlled company with a single class of common stock, we believe that the HRNC's composition is representative of the composition of our current Board. We do recognize the value of independent perspectives on the Board, however, and as such, all of the independent members of our Board, including the independent members of the HRNC, meet regularly in executive session. In 2017, the HRNC held five meetings, all of which ended with executive sessions without management present.

Decision Making: The primary goal of the HRNC is to assist the Board in fulfilling its oversight responsibilities related to setting, monitoring and implementing the Company's compensation philosophy, strategy and programs. In discharging its duties, the HRNC works very closely with its independent consultant, LB&Co., and management to examine pay and performance matters throughout the year. For 2017, in determining the compensation of the Named Executives other than the Executive Chairman and the CEO, the HRNC considered the recommendations of the Executive Chairman and the CEO, which are based primarily on Company and individual performance as well as competitive market data.

*The HRNC's Performance Review & Measurement Process:*

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**Responsibilities:** The HRNC has responsibility for the matters identified below in regard to MoneyGram's compensation program and policies, and discharges its duties annually, carefully considering each of the tasks set forth below. For 2017, Ms. Patsley served as our Executive Chairman and assisted the HRNC as described below. Effective February 2, 2018, Ms. Patsley retired from her position as our Executive Chairman, and W. Alexander Holmes was appointed as Chairman of the Board. As a result, for compensation decisions to be made in 2018, we anticipate that the role of the Executive Chairman in assisting the HRNC, as described below, will be filled by Mr. Holmes in his capacity as CEO and Chairman of the Board.

### **Executive Compensation Matters**

Assisting the Board in fulfilling its oversight responsibilities related to setting, implementing and monitoring the Company's overall compensation philosophy, strategy and program.

Setting the corporate goals and objectives for our Executive Chairman and CEO and for reviewing, at least annually, our Executive Chairman's and CEO's performance in light of those goals and objectives.

Reviewing and approving the compensation of our Executive Chairman and CEO as well as that of our Named Executives (i.e. base salaries, annual incentives and long-term incentives), including individual arrangements, and/or other benefits and perquisites. Neither the Executive Chairman nor the CEO is present during voting or deliberations on his or her compensation.

Obtaining from the full Board ratification of the compensation of our Executive Chairman and CEO.

Reviewing, designing and recommending the adoption of all executive compensation plans and administering those plans, as appropriate.

Reviewing and approving grants of equity compensation to all employees and establishing the policies and procedures governing those grants; the HRNC has delegated to our CEO and chief human resources officer the authority to approve recruitment and retention grants of equity compensation to non-executive officers. The HRNC will obtain full Board ratification of any equity grants to our Executive Chairman and CEO.

Assisting in the preparation of and reviewing the Company's disclosures made in the CD&A, and making a recommendation to the Board regarding its inclusion in the Company's proxy statement and Annual Report on Form 10-K to be filed with the SEC.

Reviewing and recommending to the Board the adoption of any employee benefit plans including, when applicable, any amendments to such plans.

Establishing performance goals for performance-based compensation awards.

Approving any discretionary contributions, if any, to 401(k) plan or similar qualified pension plans.

Reviewing the Company's management succession plans for key executive positions.

Reviewing and approving all employment agreements, severance agreements, change in control provisions and agreements and any special/supplemental benefits to our Named Executives.

Determining the appropriateness of the stock ownership guidelines for our Executive Chairman, CEO, other Named Executives and directors, and for monitoring compliance with any such guidelines.

Reviewing the risk assessment of the Company's compensation arrangements and discussing, at least annually, the relationship between risk management policies and practices and executive compensation at MoneyGram.

Advising the Board regarding the say-on-pay and say-when-on-pay advisory votes required under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, and considering the results of the most recent vote on executive compensation when determining compensation policy and making compensation decisions.

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Retaining and obtaining the advice of one or more compensation consultants as it deems necessary to discharge its duties and responsibilities, evaluating any conflicts of interest that may exist in accordance with Regulation S-K and considering the independence of any consultants chosen, as required under the Dodd-Frank Act and applicable Nasdaq listing requirements.

### ***Corporate Governance Matters***

Assisting the full Board in its efforts to identify prospective Board members; retaining or obtaining the advice of any search firm as it deems necessary to aid in the identification of director candidates.

Recommending to the Board those director nominees for election by the stockholders at the annual stockholders meeting.

Developing and recommending for adoption (or revision) the Company's Corporate Governance Guidelines.

Assisting the Board in fulfilling its obligations relating to the compensation of the Company's directors.

Leading the Board in its annual review/self-appraisal, including conducting the HRNC self-appraisal.

Reviewing and making recommendations regarding the composition and size of the Board.

Recommending to the full Board the chairpersons and membership of each Committee of the Board.

Making regular reports to the Board on all matters concerning executive compensation and corporate governance.

### ***Other***

Reviewing and assessing the adequacy of the HRNC charter at least annually, and recommending any changes to the Board for approval.

### ***Matters***

Performing other such duties, and making such reports, as the Board may reasonably request from time to time, or as the HRNC may deem appropriate.

Forming and delegating authority to subcommittees when appropriate and unanimously approved by the HRNC.

The Charter of the HRNC is available online at: <http://ir.moneygram.com/corporate-governance.cfm>.

***Performance Review:*** In 2017, the HRNC's review process considered a variety of factors in determining base salary levels, annual incentive opportunities and long-term incentive opportunities for incumbent executives, including, among others, performance, potential, position, scope and market rates.

## **Role of the Compensation Consultant**

The HRNC engaged LB&Co. for 2017 as MoneyGram's independent compensation consultant to assist and advise the HRNC on all aspects of the Company's executive and director compensation programs and corporate governance. LB&Co. attended or participated by teleconference in all meetings of the HRNC in 2017. MoneyGram paid fees of approximately \$265,000 to LB&Co. in 2017 relating to these matters, and LB&Co. provided no other services to MoneyGram. The services that LB&Co. provides to the HRNC include:

Reviewing and advising regarding the Company's compensation philosophy, strategy and program.

Providing advice and counsel on best practices in compensation and corporate governance, and keeping the Company and the HRNC apprised of trends, developments, legislation and regulations affecting executive and director compensation.

Providing and analyzing competitive market compensation data.

Analyzing the effectiveness of executive compensation programs and making recommendations, as appropriate.

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Assisting in the design and negotiation of executive employment agreements, as applicable.

Analyzing the appropriateness of the Compensation Peer Group.

Conducting a risk assessment of the Company's incentive compensation plans and programs at least annually and making recommendations, as appropriate.

Evaluating how well our compensation programs adhere to the philosophies and principles stated in this CD&A.

Providing advice and counsel on directors' compensation.

**Compensation Consultant Conflict Of Interest Assessment:** As required by rules adopted by the SEC under the Dodd-Frank Act, the HRNC assessed all relevant factors and determined that the work of LB&Co. did not raise any conflict of interest in 2017. In making this determination, the HRNC considered all relevant factors, including those set forth in Rule 10C-1(b)(4)(i) through (vi) under the Exchange Act.

### **Role of Executives**

In making determinations regarding compensation for our Named Executives, other than the CEO and Executive Chairman, the HRNC considers the recommendations of the Executive Chairman and the CEO (the "Recommending Executives") and the input received from LB&Co. Please note that, effective as of February 2, 2018, our Executive Chairman retired from her position with the Company, and our CEO was appointed as Chairman of the Board. Therefore, on a retrospective basis for 2017, the role of the Recommending Executives described in this discussion was performed by our CEO and Executive Chairman; however, on a prospective basis for 2018, it is anticipated that the role of the Recommending Executives will be filled by our CEO. The Recommending Executives recommend compensation, including the compensation provisions of employment agreements for those who have them, for Named Executives other than themselves and for all others whose compensation is determined by the HRNC. In making these recommendations, the Recommending Executives evaluate the performance of each executive, consider each executive's responsibilities and compensation in relation to other officers of the Company, and consider publicly available information regarding the competitive marketplace for talent and information provided to them by the Company and information provided to the HRNC by LB&Co.

The HRNC determines the compensation of the Recommending Executives without management input, but is assisted in this determination by LB&Co. and reviews its determination with the non-employee members of the Board. Significant compensation decisions relating to the Recommending Executives are approved by the non-employee members of the Board, after considering the recommendation of the HRNC.

### **Mitigation of Excessive Risk-Taking**

The HRNC oversees the Company's executive compensation program, including the design of the program and whether it appropriately balances risk taking and short- and long-term incentives. The HRNC meets periodically to review the risk assessment of the Company's compensation arrangements, and reviews and discusses (at least annually) the relationship between risk management policies and practices and compensation. Key factors in mitigating any risks associated with the Company's compensation programs and practices are outlined below. The HRNC may also consider recommendations from the Audit Committee regarding risks and risk mitigation.

### ***Balanced Weighting of Performance Metrics in Incentive Compensation Programs***

The MoneyGram International, Inc. Performance Bonus Plan, referred to herein as the annual cash incentive plan, and the 2005 Plan use a balanced weighting of multiple performance measures

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and metrics to determine incentive payouts to our executives and managers. This discourages excessive risk-taking by eliminating any inducement to over-emphasize one goal to the detriment of others. The awards to our Named Executives under the annual cash incentive plan and the 2005 Plan are discussed in detail on pages 38 to 41.

***Stock Ownership Guidelines for Executives***

The Company believes that ownership guidelines serve to align the interests of management with those of stockholders by requiring executives to acquire and maintain a meaningful equity position in the Company, which, in turn, supports the Company's objective of building long-term stockholder value. Furthermore, the Company believes that ownership of equity mitigates the risk of executive actions that could potentially damage or destroy equity value.

The following Stock Ownership Guidelines were effective for 2017 for our senior-most executives:

POSITION	OWNERSHIP GUIDELINE
Executive Chairman	5x Base Salary
CEO	5x Base Salary
Executive Committee Members (including all other Named Executives)	3x Base Salary

As noted above, effective February 2, 2018, our Executive Chairman retired from her position with the Company, and our CEO was appointed as Chairman of the Board. Each covered officer is expected to achieve these levels of ownership within the later of five years of the implementation of the ownership guidelines or their first becoming eligible to participate in the 2005 Plan. Additionally, if an executive receives a promotional salary increase during this time, the HRNC, in its discretion, may extend that executive's time to meet the ownership requirements by one year. Failure to meet or, in certain circumstances, to show sustained progress toward meeting, the above ownership guidelines may result in a reduction in future long-term incentive equity grants, and/or payment of future annual and/or long-term cash incentive payouts in the form of equity, at the discretion of the HRNC.

To determine the value of each officers' equity ownership, and for the purposes of satisfying the ownership guidelines, the following forms of equity will be included in the value calculation: shares owned by the executive, his or her spouse and/or minor children, whether owned outright or in trust; any time-based restricted stock or RSUs awarded; any vested, in the money stock options or vested performance-based RSUs; and any stock held for the incumbent's benefit in any pension or 401(k) plans.

***Policy Regarding Trading in Company Stock***

We maintain policies and procedures for transactions in the Company's securities that are designed to ensure compliance with all insider trading rules. The Company's policies and procedures also prohibit certain employees, officers and directors from engaging in certain forms of hedging or short-term speculative trading of the Company's securities, including, without limitation, short sales or put or call options involving the Company's securities. We also prohibit certain employees, officers and directors from pledging MoneyGram securities as collateral for loans (including margin loans).

***Clawback Policy***

The Company's incentive compensation award agreements and annual cash incentive plan provide that the HRNC may seek reimbursement of incentives paid or stock options and restricted stock/RSU proceeds provided to a Named Executive or other executive if it is later determined that the Named Executive or other executive engaged in misconduct, acted in a manner contrary to the Company's interest or breached a non-competition agreement. To date, the HRNC has not exercised this right with respect to any plan award previously paid.

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The Company has also adopted a clawback policy, which provides that:

Under the annual cash incentive plan, the Company may recoup or clawback prior bonuses from executives later determined to have contributed to compliance failures.

Certain executives, including the Named Executives, who are found to have engaged in any non-compliant acts in any year will forfeit any entitlement to and be ineligible for any annual cash incentive compensation for that year.

### Peer Group Selection and Competitive Benchmarking

Our executive compensation program is designed to reward achievement of goals and to attract, retain and motivate our leaders in a competitive talent market. The HRNC examines the executive compensation of a group of peer companies (our Compensation Peer Group) to stay current with market pay practices and trends, and to understand the competitiveness of our total compensation and its various elements. The HRNC reviews at least annually the Compensation Peer Group to confirm that it includes companies that are comparable to MoneyGram on the basis of industry focus, scope of operations, size (based on revenues) and the competitive marketplace for talent. We use this data solely for informational purposes and do not target a specific percentile or make significant pay decisions based on market data alone. Although we believe this information can be helpful, we recognize that benchmarking is not always reliable and is subject to significant change from one year to the next particularly for companies in the financial services industry. As a result, we use both Company and individual performance as a primary driver of pay levels, as opposed to market data.

The following 15 companies comprised the 2017 Compensation Peer Group:

ACI Worldwide, Inc.	Fiserv, Inc.	PayPal Holdings, Inc.
Blackhawk Network Holdings, Inc.	FleetCor Technologies, Inc.	Total System Services, Inc.
Cardtronics, Inc.	Global Payments, Inc.	Vantiv, Inc.
Euronet Worldwide, Inc.	Green Dot Corporation	Verifone Systems, Inc.
Fidelity National Information Systems, Inc.	Jack Henry & Associates, Inc.	The Western Union Company

**2018 Compensation Peer Group:** For the 2018 compensation review, the HRNC maintained the same peer group companies utilized in 2017. The HRNC decided upon this peer group after consultation with its compensation consultant and primarily based upon criteria such as business alignment, industry relevance and competition for executive talent. While the companies in the Compensation Peer Group are generally larger than we are in terms of market capitalization and revenue, we believe this peer group composition is appropriate in light of the importance we ascribe to providing competitive pay opportunities sufficient to attract and retain the talented executives needed to lead the Company.

### CEO Performance and Pay

Under Mr. Holmes's leadership in 2017, the Company made significant progress toward its long-term goals. Significant accomplishments during the year included:

Achieved total revenue of \$1,602.1 million on a reported basis during the year;

While net loss was \$29.8 million in 2017 compared to net income of \$15.9 million in 2016, the Company achieved Adjusted EBITDA of \$275.9 million, a 5% increase on a reported basis and constant currency basis compared to 2016 (see pages 36-37 of our 2017 Annual Report on Form 10-K for information regarding EBITDA and Adjusted EBITDA, including a reconciliation thereof to pre-tax income (loss));

Continued to enhance the Company's compliance program by building upon a strong team of compliance professionals, implementing new systems and increasing agent oversight, which we believe is a strong foundation for future growth;





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Invested in areas critical to long-term growth, including investments in the Company's digital transformation strategy; and

Engaged with government agencies, regulators, banks and legislators to ensure that they are aware of challenges facing our industry during a period of de-risking in the banking industry and other regulatory challenges.

The HRNC assessed Mr. Holmes's 2017 compensation consistent with our overall compensation strategy. In light of the achievements described above, the HRNC believes that the resulting total target compensation of \$4.35 million was the appropriate level of compensation for Mr. Holmes during the year. Mr. Holmes's total target compensation for 2017 was comprised of \$725,000 in base salary, \$725,000 in annual cash incentive, and a grant date value of \$2,900,000 in long-term incentive. Approximately 83% of Mr. Holmes's total target compensation was variable. The following chart shows the target total direct compensation mix for Mr. Holmes's 2017 compensation.

## 2017 Compensation Review and Decisions

As discussed above under Peer Group Selection and Competitive Benchmarking, we base our annual compensation decisions upon Company and individual performance as it relates to our goals and objectives. We believe this approach further strengthens the relationship between pay and performance for our senior executives.

### Overview of 2017 Total Direct Compensation for our CEO and our Named Executives

INCENTIVE TYPE	COMPENSATION ELEMENT	WHAT IT DOES	HOW IT'S SET/LINKS TO PERFORMANCE
Fixed	Base Salary	Provides competitive fixed compensation  Balances risk-taking concerns with pay for performance	Job scope and impact, experience and capability, market compensation levels
Variable	Annual Cash Incentive Award	Provides a competitive annual incentive opportunity  Aligns with individual business unit (where revenue and Adjusted EBITDA appropriate) and Company performance	Payout range: 0% - 200% of target  Based on achievement of financial goals (total)  Risk/control and compliance goals  Based on objective performance metrics, but also allows the HRNC to use judgment in considering quantitative and qualitative performance factors

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INCENTIVE TYPE	COMPENSATION ELEMENT	WHAT IT DOES	HOW IT'S SET/LINKS TO PERFORMANCE
Time-based RSUs		Promotes executive retention  Aligns with share price, as value of an executive's grant increases only consistent with increases in the price per share, and the interests of our stockholders	Vest in three equal installments on each anniversary of the grant date
Performance-Based RSUs		Aligns with share price and the interests of our stockholders  Rewards performance that drives stockholder value creation based on revenue and/or Adjusted EBITDA growth target	Payout range: 0% - 100% of target  Performance period: 2017  Targets based 50% based on constant currency revenue and 50% on annual Adjusted EBITDA growth
Performance-Based Cash Award		Aligns with the interests of our stockholders  Rewards performance that drives stockholder value creation based on revenue and/or Adjusted EBITDA growth target	Payout range: 0% - 100% of target  Performance period: 2017  Targets based 50% based on constant currency revenue and 50% on Adjusted EBITDA growth

### Base Salary

Base salary decisions for 2017 were determined by the HRNC based on the following factors:

Recommendations from the Executive Chairman and CEO (for Named Executives other than the Executive Chairman and CEO);

Performance achievement (both Company and individual) relative to goals and objectives;

Scope and impact of each role and changes in job responsibility (in particular with respect to promotional increases);

Internal pay equity considerations; and

Peer group data.

Having considered these factors, the HRNC approved the following base salary increases in 2017:

NAMED EXECUTIVE	BASE SALARY INCREASE (OR DECREASE)	EFFECTIVE DATE	RATIONALE FOR CHANGE
Pamela H. Patsley	% \$	N/A	No change

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W. Alexander Holmes	%	\$	N/A	No change
Lawrence Angelilli	14%	\$ 50,000	January 1, 2017	Merit
Juan Agualimpia	%	\$	N/A	No change
F. Aaron Henry	%	\$	N/A	No change
Grant Lines	%	\$	N/A	No change

### ***Annual Cash Incentive Plan***

The annual cash incentive plan provides for annual cash incentive awards based on overall Company performance, individual business unit performance (where applicable), and individual performance and contribution. The HRNC sets specific performance objectives for the Company under the annual cash incentive plan.

**Table of Contents***Award Levels*

In February 2017, the HRNC reviewed the annual incentive targets for each Named Executive to ensure that the Company is competitive under this element of compensation. Consistent with our compensation objectives, as an executive assumes greater responsibility within the Company, a larger portion of his or her compensation is at-risk and tied to the achievement of Company and individual performance goals. For 2016 and 2017, the annual incentive targets for our Executive Chairman and our CEO were provided in their respective employment agreements. The annual cash incentive targets of our Named Executives did not change in 2017.

In 2017, the HRNC established annual incentive targets for our Named Executives as follows:

NAMED EXECUTIVE	ANNUAL INCENTIVE TARGET AS A PERCENT OF BASE SALARY AS OF:	
	12/31/2016	12/31/2017
Pamela H. Patsley	100%	100%
W. Alexander Holmes	100%	100%
Lawrence Angelilli	70%	70%
Juan Agualimpia	70%	70%
F. Aaron Henry	70%	70%
Grant Lines	70%	70%

Each Named Executive's actual annual cash incentive award is based on the Company's achievement of annual financial results relative to performance objectives established by the HRNC, including business unit performance (where applicable) as well as individual performance and contribution to the Company's overall results (which is reflected in each Named Executive's performance rating). As applicable, the HRNC sets the financial objectives for each Named Executive so as to place the appropriate focus on the desired results and key initiatives. In setting these goals the HRNC considers input from management.

*2017 Performance Objectives*

Under the annual cash incentive plan, the HRNC sets specific performance objectives for the Company, as well as threshold, target and maximum payout levels predicated on actual achievement, in accordance with the funding formula set forth below.

	THRESHOLD	TARGET	MAXIMUM
Performance Achievement	90%	100%	115%
Payout	50%	100%	200%

For 2017, the HRNC approved total revenue and Adjusted EBITDA (as defined below), each weighted equally and each on a constant currency basis, as the performance measures governing annual incentive payouts.

**PERFORMANCE MEASURES**

(\$ IN MILLIONS)	WEIGHT	THRESHOLD	TARGET	MAXIMUM	2017	
					RESULTS	PAYOUT RESULTS BY MEASURE(1)
Total Revenue	50%	\$ 1,543.5	\$ 1,715.0	\$ 1,972.3	\$ 1,600.4(3)	67.0%
Adjusted EBITDA(2)	50%	\$ 258.3	\$ 287.0	\$ 330.1	\$ 277.9(4)	84.2%

(1) Represents payout (as a percentage of target) on each respective performance measure under application of the funding formula presented above.

(2)

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Adjusted EBITDA is EBITDA excluding severance and related costs, reorganization and restructuring costs, merger-related costs, compliance enhancement program costs, direct monitor costs, losses related to agent closures, debt extinguishment costs, stock-based and contingent performance compensation, certain legal expenses and currency adjustment.

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- (3) Reflects constant currency adjusted total revenue. Reported total revenue was \$1,602.1 million but was positively impacted by \$1.7 million by the weaker U.S. dollar. See pages 29 and 36 of our 2017 Annual Report on Form 10-K for information regarding our constant currency measures.
- (4) Reflects constant currency Adjusted EBITDA. Reported Adjusted EBITDA was \$275.9 but was negatively impacted by \$2.0 million. See pages 29 and 36 of our 2017 Annual Report on Form 10-K for information regarding our constant currency measures.
- 2017 Actual Annual Cash Incentive Payouts*

Based on the results achieved and the relative weighting of each performance objective (as shown in the table above), the 2017 level of performance achievement for the annual cash incentive plan pool was 75% of target. Each Named Executive also received an individual performance rating, as set forth below, which served either as a multiplier or a detractor to his or her annual cash incentive payout. In addition to Company and business unit performance (where applicable), each Named Executive's performance rating also considers his or her technical and leadership competency and abilities in his or her role. All annual cash incentive payouts were approved by the HRNC. The performance goals for all Named Executives were based solely on overall corporate performance.

NAMED EXECUTIVE	PERFORMANCE RATING	ANNUAL CASH INCENTIVE AS A PERCENT OF TARGET(1)
Pamela H. Patsley	100%	100%
W. Alexander Holmes	100%	100%
Lawrence Angelilli	100%	70%
Juan Agualimpia(2)	85%	70%
F. Aaron Henry	100%	70%
Grant Lines	100%	70%

- (1) Represents a percentage comparison between the actual cash incentive amount paid to the Named Executive and such Named Executive's target payout amount.

- (2) Mr. Agualimpia's annual cash incentive payout for 2017 was prorated to take into account his termination on July 7, 2017.

**Long-Term Incentives***Annual Long-Term Incentive Award Guidelines and 2017 Long-Term Incentive Grants*

We typically make annual long-term incentive awards to the Named Executives each year in order to reward performance that drives stockholder value creation and align the interests of our management team with those of our stockholders. Long-term incentive awards are granted under our 2005 Plan, which provides for a variety of different awards, including stock options, restricted stock, RSUs and performance awards.

The HRNC regularly reviews the Company's annual long-term incentive grant guidelines, pursuant to which annual grant multiples are set for the Named Executives. The equity grant guidelines for 2017, expressed as a multiple of base salary or as a specific dollar amount, are set forth below. The guidelines for our Executive Chairman and our CEO conform to the terms of their respective employment agreements. The guidelines for the other Named Executive remained the same as in 2016.

LEVEL	PERCENT (or dollar amount)
Executive Chairman	300%
CEO	400%
Other Named Executives	\$ 900,000





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See 2018 Compensation Decisions Long-Term Incentive Awards for a discussion regarding the equity grant guidelines for 2018.

The HRNC determines the allocation between award types and sets the vesting criteria at the time of each grant. For 2017, the long-term incentive awards were 25% performance-based RSUs, 25% performance-based cash awards and 50% time-based RSUs.

Our decisions relating to equity awards are primarily influenced by the need to recruit and retain certain Named Executives as well as to align the interests of the Named Executives with those of our stockholders. In 2017, we granted our Named Executives both time-based and performance-based RSUs and performance-based cash. MoneyGram developed the vesting criteria for the RSU awards to be both motivational and retentive, with performance-vesting criteria serving to motivate the creation of stockholder value and time-based vesting criteria serving to retain key executives. The table below sets forth the total number of time-based and performance-based RSUs granted to each Named Executive during 2017 in connection with annual long-term incentive awards:

NAMED EXECUTIVE	DATE OF GRANT	TOTAL GRANT DATE VALUE (\$)	AWARD SPLIT AMONG		
			Cash (\$)(1)	Performance-Based RSUs (#)(1)	Time-Based RSUs (#)(2)
Pamela H. Patsley	February 22, 2017	\$ 1,950,000	\$ 487,500	38,326	76,651
W. Alexander Holmes	February 22, 2017	\$ 2,900,000	\$ 725,000	56,997	113,994
Lawrence Angelilli	February 22, 2017	\$ 900,000	\$ 225,000	17,689	35,378
Juan Agualimpia	February 22, 2017	\$ 900,000	\$ 225,000	17,689	35,378
F. Aaron Henry	February 22, 2017	\$ 900,000	\$ 225,000	17,689	35,378
Grant Lines	February 22, 2017	\$ 900,000	\$ 225,000	17,689	35,378

(1) The performance-based cash awards and performance-based RSUs vest in three equal installments on each anniversary of the grant date if certain performance goals are achieved, with up to 50% of such awards eligible to vest over such three-year period if a target level of constant currency total revenue is achieved for the year ended December 31, 2017 and up to 50% of such awards eligible to vest over such three year period if a target level of Adjusted EBITDA is achieved for the year ended December 31, 2017. Under the terms of the award agreements, these performance-based RSUs have the potential to pay out at 50% of the number of units awarded if the Company achieves threshold-level performance. Attainment between the threshold and target performance goals is subject to straight-line interpolation. On January 31, 2018, the HRNC determined that the performance levels were met at a 75% attainment level for the performance-based cash awards and performance-based RSUs granted to each of our Named Executives in 2017.

(2) Time-based RSUs vest in three equal installments on each anniversary of the grant date.

All participants in our long-term incentive program, including our Named Executives, are required to sign a post-employment restriction agreement providing for non-disclosure, non-solicitation and non-competition following termination of employment. A discussion of the treatment of outstanding long-term incentive awards upon the termination of employment of the Named Executives is included below under Executive Employment Agreements and Other Agreements, as applicable.

## Other Compensation

In addition to the components of total direct compensation for 2017 described above, a portion of our Named Executives' compensation includes other market competitive, non-variable compensation and benefits. These other compensation and benefits elements aid us in being able to recruit more effectively and to retain highly qualified executive talent while competing with other companies that offer similar programs.

**Table of Contents***Retirement Benefits and Deferred Compensation*

MoneyGram does not provide any form of pension or deferred compensation, other than a 401(k) plan. The 401(k) plan is the Company's primary retirement plan for U.S. employees, including Named Executives. The 401(k) plan is a defined contribution plan that allows employees whose customary employment is for 1,000 hours or more per year to defer up to 50% of their eligible compensation on a pre-tax or post-tax basis subject to limitations under the Internal Revenue Code of 1986, as amended (the Internal Revenue Code). MoneyGram matches 100% of the first three percent and 50% of the next two percent of compensation deferred by an eligible employee. In addition, a discretionary contribution may be granted annually by our Board; however, no discretionary contribution was granted for 2017. Employer contributions are invested according to a participant's investment election for employee contributions. Employees may not maintain more than ten percent of their 401(k) plan account balances in MoneyGram stock. Employee contributions and the employer match are immediately 100% vested.

*Severance Benefits*

A discussion of the Company's severance benefits for the Named Executives is set forth below under *Executive Employment Agreements* and *Other Agreements*.

*Perquisites and Personal Benefits*

MoneyGram did not provide any perquisites or personal benefits to any Named Executives in 2016.

**2018 Compensation Decisions***Base Salary*

Base salary decisions for 2018 were determined by the HRNC based on the following factors:

Recommendations from the CEO (for Named Executives other than the CEO);

Performance achievement (both Company and individual) relative to goals and objectives;

Scope and impact of each role and changes in job responsibility (in particular with respect to promotional increases);

Internal pay equity considerations; and

Peer group data.

Having considered these factors, the HRNC approved the following base salary increases in 2018:

NAMED EXECUTIVE	BASE SALARY		EFFECTIVE	RATIONALE FOR CHANGE
	INCREASE (DECREASE)		DATE	
Pamela H. Patsley	0%	\$ 0	N/A	No change
W. Alexander Holmes	13.79%	\$100,000	1/1/2018	Additional responsibilities
Lawrence Angelilli	6.25%	\$ 25,000	3/24/2018	Merit
F. Aaron Henry	6.25%	\$ 25,000	3/24/2018	Merit
Grant Lines	28.6%	\$100,000	3/24/2018	Promotion

*Annual Cash Incentive Plan*

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For 2018, the HRNC approved total revenue and Adjusted EBITDA (excluding severance and related costs, reorganization and restructuring costs, merger-related costs, compliance enhancement program costs, direct monitor costs, losses related to agent closures, debt extinguishment costs, stock-based and contingent performance compensation, certain legal expenses and currency adjustment),

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each weighted equally, as the performance measures governing annual incentive payouts. As described in Executive Employment Agreements below, Mr. Holmes's amended and restated employment agreement provides that his annual cash incentive target for 2018 is 120 percent of his annual base salary. The annual cash incentive target for our other Named Executives did not change.

**Long-Term Incentive Awards**

In accordance with the annual grant guidelines established by the HRNC, the HRNC approved annual long-term incentive grants in February 2018. The HRNC elected to make the 2018 long-term incentive grants using a mix of performance-based RSUs (25%), performance-based cash awards (25%) and time-based RSUs (50%). In determining the grant design for 2018, management and the HRNC considered various factors, including the termination of the merger agreement with Ant Financial on January 2, 2018, recent stock price volatility, dilution and retention of key executives. Management and the HRNC concluded that this mix of equity and cash was most appropriate for 2018 because it enabled us to deliver competitive long-term incentives to our key executives and maintain the alignment of our executives' interests with those of our shareholders during a critical time for our business. The time-based RSUs vest in three equal installments on each anniversary of the grant date. The performance-based RSUs and the performance-based cash awards are subject to performance conditions that must be satisfied. If such performance conditions are satisfied at the conclusion of a one-year performance period, the performance-based RSUs will vest in three equal installments on each anniversary of the grant date. With respect to the performance-based long-term incentive (cash and equity), a target of 75% of such awards become eligible to vest over such three year period if a target level of Adjusted EBITDA is achieved for the year ended December 31, 2018 and a target of 25% of such awards become eligible to vest over such three year period if a target level of constant currency total revenue is achieved for the year ended December 31, 2018.

The details of the 2018 long-term equity grants are set forth below:

NAMED EXECUTIVE	DATE OF GRANT	TOTAL GRANT DATE VALUE (\$)	AWARD SPLIT AMONG		
			Performance-Based		Time-Based
			Cash (\$)(1)	RSUs (#)(1)	RSUs (#)(2)
W. Alexander Holmes	March 1, 2018	\$ 4,125,000	\$ 1,031,250	97,380	194,760
Lawrence Angelilli	March 1, 2018	\$ 900,000	\$ 225,000	21,247	42,493
F. Aaron Henry	March 1, 2018	\$ 900,000	\$ 225,000	21,247	42,493
Grant Lines	March 1, 2018	\$ 1,200,000	\$ 300,000	28,329	56,658

- (1) The performance-based cash awards and performance-based RSUs vest in three equal installments on each anniversary of the grant date if certain performance goals are achieved, with a target of 25% of such awards eligible to vest over such three-year period if a target level of constant currency total revenue is achieved for the year ended December 31, 2018 and a target of 75% of such awards eligible to vest over such three-year period if a target level of Adjusted EBITDA is achieved for the year ended December 31, 2018 (with such combined target achievement not exceeding 100% of the performance-based RSUs).

- (2) Time-based RSUs vest in three equal installments on each anniversary of the grant date.

**Employment and Other Agreements****Executive Employment Agreements**

MoneyGram currently maintains an employment agreement with Mr. Holmes, our CEO. Prior to her retirement on February 2, 2018, MoneyGram maintained an employment agreement with Ms. Patsley, our former Executive Chairman.

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### *Alexander Holmes*

In connection with Mr. Holmes' appointment as CEO effective January 1, 2016, the Company and Mr. Holmes entered into an employment agreement, referred to herein as the Holmes Employment Agreement, dated July 30, 2015, effective as of January 1, 2016. Under the Holmes Employment Agreement, Mr. Holmes shall serve as CEO of the Company for a term commencing on January 1, 2016 and ending on the date that Mr. Holmes' employment is terminated in accordance with the terms of the Holmes Employment Agreement.

The Holmes Employment Agreement provides that Mr. Holmes shall receive an annual base salary of \$725,000 during the term of his employment pursuant to such Agreement, which amount is subject to annual review and may be increased, but not decreased, without Mr. Holmes' consent. During the term of his employment pursuant to the Holmes Employment Agreement, Mr. Holmes shall be eligible to participate in the Company's annual cash incentive plan, and shall be eligible to receive a target annual bonus equal to 100% of his base salary and a maximum annual bonus equal to two times his target bonus if the Company's performance exceeds targeted levels. Also during the term of his employment pursuant to the Holmes Employment Agreement, Mr. Holmes shall participate in the 2005 Plan and shall receive an annual grant of equity or equity-based awards with an aggregate grant date fair market value equal to at least four times his annual base salary in effect at the time of grant, if the Company makes grants of such awards to other senior executive officers of the Company.

The Holmes Employment Agreement provides that, during the term of his employment pursuant to such agreement, if Mr. Holmes is terminated without cause or resigns for good reason (each as defined in the Holmes Employment Agreement), he shall receive, among other accrued benefits, the following: (i) a pro-rata portion of his bonus under the annual cash incentive plan for the fiscal year in which termination occurs, subject to the Company's actual performance achievement; (ii) an aggregate payment of two times the sum of (a) his annual base salary and (b) his target bonus under the annual cash incentive plan; (iii) continuation of health and life insurance coverage for up to two years; and (iv) with respect to equity or equity-based awards granted after January 1, 2016, continued eligibility to vest on a pro-rata basis based on the Company's actual performance achievement (for awards subject to performance-based vesting criteria) or limited accelerated vesting (for awards subject to solely time-based vesting criteria). If Mr. Holmes is terminated during the term of his employment pursuant to the Holmes Employment Agreement due to death or disability (as defined in the Holmes Employment Agreement), he shall receive, among other benefits, the payments and benefits described in clause (i) of the preceding sentence.

On March 2, 2018, the Company entered into an amended and restated employment agreement with Mr. Holmes (the A&R Holmes Employment Agreement), which amends and restates the Holmes Employment Agreement, effective January 1, 2018. The A&R Holmes Employment Agreement provides for (i) an annual base salary of \$825,000 during the term of Mr. Holmes' employment, (ii) a target annual bonus amount equal to 120% of Mr. Holmes' base salary under the Company's annual cash incentive plan, and (iii) a minimum aggregate grant date fair value equal to five times Mr. Holmes' annual base salary in effect at the time of grant for the annual grant of equity or equity-based awards that Mr. Holmes is eligible to receive under the 2005 Plan during the term of his employment. The A&R Holmes Employment Agreement also provides that if Mr. Holmes' employment is terminated by the Company without cause or by Mr. Holmes for good reason, in each case, within the 24-month period immediately following a change in control, then, each equity or equity-based award and long-term performance-based cash award held by Mr. Holmes on the date of such termination shall become immediately vested in full on the date of termination (at 100% of the applicable target level in the case of any award then subject to performance-based vesting). In the absence of a change in control, if Mr. Holmes' employment is terminated by the Company without cause or by Mr. Holmes for good reason within 45 days of the next regularly scheduled vesting date of any equity or equity-based award subject to time-based vesting criteria, the A&R Holmes Employment Agreement provides that the portion of each such award that would have vested on the next two regularly scheduled vesting dates will become immediately vested on the date of termination.

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### *Pamela H. Patsley*

The Company and Ms. Patsley entered into an employment agreement, effective January 1, 2016, referred to herein as the Patsley Employment Agreement. Under the Patsley Employment Agreement, Ms. Patsley served as the Executive Chairman of the Board until her retirement on February 2, 2018.

The Patsley Employment Agreement provided for an annual base salary of \$650,000 during the term of her employment pursuant to such agreement. Pursuant to the Patsley Employment Agreement, for 2017, Ms. Patsley was eligible to receive (i) a target annual bonus equal to 100% of her annual base salary and a maximum annual bonus equal to two times her target bonus if the Company's performance exceeded targeted levels under the Company's annual cash incentive plan, and (ii) an annual grant of equity or equity-based awards with an aggregate grant date fair market value equal to at least three times her annual base salary in effect at the time of grant under the 2005 Plan.

The Patsley Employment Agreement provided that, during the term of her employment pursuant to such agreement, if Ms. Patsley's employment was terminated without cause, due to resignation for good reason, or due to death or disability (each as defined in the Patsley Employment Agreement), she would be entitled to receive, among other accrued benefits, the following: (i) a pro-rata portion of her bonus under the annual cash incentive plan for the fiscal year in which termination occurs, subject to the Company's actual performance achievement; (ii) an aggregate payment of two times the sum of (a) her annual base salary and (b) her target bonus under the annual cash incentive plan; (iii) continuation of health and life insurance coverage for up to two years; and (iv) with respect to equity or equity-based awards, continued eligibility to vest based on the Company's actual performance achievement (for awards subject to performance-based vesting criteria) or full accelerated vesting (for awards subject to solely time-based vesting criteria).

Please see Other Agreements Applicable Definitions for an explanation of the terms cause, good reason, disability and change of control in the employment agreements.

### ***Other Agreements***

#### *Employee Trade Secret, Confidential Information and Post-Employment Restriction Agreement*

Each of the Named Executives, other than Ms. Patsley and Mr. Holmes, whose trade secret, confidentiality and post-employment restriction provisions were included in their employment agreements, entered into an Employee Trade Secret, Confidential Information and Post-Employment Restriction Agreement. Under these agreements, each Named Executive agrees to confidentiality and non-disparagement obligations that extend indefinitely. In addition, under these agreements, each Named Executive agrees to non-competition provisions with respect to certain competing businesses and non-solicitation restrictions with respect to employees and customer relationships for defined periods of time.

#### *Severance Benefits*

The Company maintains severance arrangements for all of its Named Executives, the intended benefits of which are to provide financial protection in the event of a termination that could disrupt the careers of the Named Executive. The severance benefits allow the Named Executives to focus on corporate performance and maximizing value for the benefit of stockholders in the event of a change of control or other potential termination of employment by providing an economic means for the Named Executive to transition away from the employment with the Company. Participation by a Named Executive in any plan or agreement requires the approval of the HRNC. For a description of the Company's severance agreements, see below and also Potential Payments Upon Termination or Change Of Control in this proxy statement.

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### *Severance Agreements*

Each of the Named Executives, other than Ms. Patsley and Mr. Holmes, whose severance provisions were included in their employment agreements, have entered into an individual severance agreement with the Company. These individual severance agreements provide for severance benefits in the event that a Named Executive's employment is terminated at any time by the Company without cause or without cause or for good reason within the 24-month period following a change in control (each quoted term as defined in the severance agreements). The severance agreements do not provide for severance benefits solely in the event of a change in control.

If a Named Executive is terminated without cause, the severance agreements provide for severance in an amount equal to one year of the Named Executive's annual base salary payable in equal installments over the twelve-month period following the date of termination, and, provided the Company achieves its applicable performance goals, a pro rata portion of the Named Executive's annual incentive bonus for the year in which the termination occurs (not to exceed the Named Executive's annual target incentive opportunity), payable in a lump sum when such cash bonuses are regularly paid. The severance provisions under these agreements become available to the respective Named Executive on or after the first anniversary of such person's employment with the Company.

In connection with the Company's entry into the merger agreement with Ant Financial on January 26, 2017, the individual severance agreements were amended and restated, effective February 22, 2017, to provide the Named Executives, other than Ms. Patsley and Mr. Holmes, certain protections in the event of a termination of by MoneyGram without cause (other than by reason of death or disability) or by the Named Executive for good reason (each, a qualifying termination) within the two-year period following the effective time of the Merger. Following the termination of the merger agreement with Ant Financial on January 2, 2018, the individual severance agreements were further amended and restated, effective January 2, 2018, to provide the Named Executives, other than Ms. Patsley and Mr. Holmes, certain protections in the event of a qualifying termination within the two-year period following the consummation of a change in control. In addition to the benefits provided under the prior severance agreements described above, the amended and restated agreements provide for full vesting of any outstanding restricted stock unit awards or long-term performance-based cash awards (including any replacement awards or awards into which any such awards are converted into in connection with a change in control) held by the Named Executive on the date of termination if such Named Executive's employment is terminated by the Company without cause (other than by reason of death or disability) or by the Named Executive for good reason within the two year period commencing on and immediately following the consummation of a change in control.

### *Restricted Stock Unit Agreements*

Pursuant to the terms of the RSU agreements for outstanding performance-based RSUs, if a participant is terminated for cause or resigns from the Company or any of its subsidiaries, any units that are not vested as of such date shall be forfeited. If a participant is terminated without cause or due to death or disability prior to completion of half of the performance period, any units that are not vested as of such date shall be forfeited. For units granted in 2015, if a participant is terminated without cause or due to death or disability after completion of half of the performance period, the next subsequent installment will vest based on actual performance, and all subsequent installments will be forfeited. For units granted in 2016 and 2017, if a participant is terminated without cause or due to death or disability after completion of half of the performance period but on or prior to the last day of the performance period, one-third of the units will vest based on actual performance determined after the completion of the performance period, and all unvested units will be forfeited. In the event that the units are assumed or otherwise replaced in connection with a change in control, and a participant's employment is terminated without cause or a participant terminates his or her employment for good reason, in each case within the 12-month period immediately following such change in control, then, for units granted in each of 2015, 2016 and 2017, if the termination occurs on or prior to the last day of the performance period, all remaining installments will vest at the target level and, if the termination occurs after the end

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of the performance period, all remaining installments will vest based on the actual attainment of the performance goals.

Pursuant to the terms of the agreements for outstanding time-based RSUs, if a participant is terminated for cause or resigns from the Company or any of its subsidiaries, any units that are not vested as of such date will be forfeited. If a participant is terminated without cause or due to death or disability prior to an installment vesting date, the number of units that would have vested during the 12-month period following the termination date will vest as of such date. In the event the units are assumed or otherwise replaced in connection with a change in control and a participant's employment is terminated without cause or a participant terminates his or her employment for good reason, in each case within 12 months following such change in control, then any unvested units will vest as of the termination date.

The performance and time-based RSUs are also subject to certain forfeiture and repayment provisions.

The treatment of certain RSUs granted to Ms. Patsley and Mr. Holmes are governed by the terms of their existing long-term equity award agreements and the provisions of their existing employment agreements as described above under Executive Employment Agreements. The treatment of certain RSUs granted to the other Named Executives is also governed by the terms of the amended and restated severance agreements.

### *Performance Cash Award Agreements.*

Pursuant to the terms of the performance-based cash award agreement for long-term performance-based cash awards (performance cash awards) granted to our Named Executives in 2017, if a participant is terminated for cause or resigns from the Company or any of its subsidiaries, any amount of the award that is not vested as of such date shall be forfeited. If a participant is terminated without cause or due to death or disability prior to completion of the first six months of the performance period, the total amount of the award shall be forfeited. If a participant is terminated without cause or due to death or disability after completion of the first six months of the performance period but on or prior to the last day of the performance period, one-third of the award will vest based on actual performance determined after the completion of the performance period, and any unvested amount of the award will be forfeited. If a participant is terminated without cause or due to death or disability after completion of the performance period, the portion of the award scheduled to vest on the next subsequent vesting date based on the actual level of performance obtained will vest, and any unvested amount of the award will be forfeited. If a participant is terminated without cause or for good reason with the 12-month period following a change in control, the full amount of the award will vest in full (at target level, in the case of awards subject to performance conditions).

The performance cash awards are also subject to certain forfeiture and repayment provisions.

The treatment of the performance cash awards granted to Ms. Patsley and Mr. Holmes are governed by the terms of their individual award agreements and the provisions of their existing employment agreements as described above under Executive Employment Agreements. The treatment of the performance cash awards granted to the other Named Executives is also governed by the terms of the amended and restated severance agreements.

### *Stock Option Agreements*

Pursuant to the terms of the form stock option agreements for stock options awarded in November 2011 and in 2012 and 2013, if an optionee's employment is terminated for cause, any portion of the option that has not been exercised shall be immediately forfeited. If an optionee's employment is terminated by the Company or one of its subsidiaries without cause or the optionee terminates employment for good reason, any unvested portion of the option shall be forfeited and the optionee will have a designated period of time to exercise the vested portion. If an optionee resigns without good



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reason or for any reason other than death or disability, any unvested portion of the option shall be forfeited and the optionee will have a designated period of time to exercise the vested portion. If an optionee's employment is terminated due to death or disability, the portion of the option that would have vested during the 12-month period following the termination date shall vest, the vested portion of the option may be exercised for a designated period of time, and the unvested portion of the option shall be forfeited.

If there is a change in control of the Company and the per share fair market value of the Company's common stock on the occurrence of the change in control does not exceed the per share option price, then the option, whether vested or unvested, shall immediately terminate. However, if the fair market value exceeds the option price on the occurrence of the change in control, the Committee, in its sole discretion, may (1) provide the optionee reasonable time to exercise the vested portion of the option, (2) provide for the termination of the option in exchange for payment to the optionee of the excess of the (x) aggregate fair market value of the common stock issuable pursuant to the vested portion of the option over (y) the aggregate option price for the vested portion or (3) if the change in control involves a merger or consolidation with another company, provide for the assumption or substitution by the surviving entity or its parent of awards with substantially the same terms as the option.

If there is a change in control of the Company and after giving effect thereto the optionee's employment is terminated by the Company or its subsidiaries without cause or the optionee terminates his or her employment for good reason, in each case within 12 months following the change in control, any portion of options outstanding and unvested as of the termination of employment shall automatically accelerate and become vested. The stock options are also subject to certain forfeiture and repayment provisions.

The treatment of certain stock options granted to Ms. Patsley and Mr. Holmes are governed by the terms of their existing long-term equity award agreements and the provisions of their existing employment agreements as described above under Executive Employment Agreements.

### *Annual Cash Incentive Plan*

Pursuant to the terms of the annual cash incentive plan, in the event of a change of control, each participant in the plan shall be entitled to a pro rata bonus award calculated on the basis of achievement of the performance goals through the date of the change of control. In the event of a participant's termination of employment to retirement, death or disability, the participant shall be eligible to receive a pro rata bonus award if bonus awards are paid by the Company.

### *Applicable Definitions*

For purposes of the agreements described in this section entitled Other Agreements and in the section entitled Executive Employment Agreements, the terms listed below are defined as follows:

(i) *cause* generally means (a) the executive has willfully refused to carry out the reasonable and lawful directions, within the executive's control and responsibilities, of the Board or the person to whom the executive reports for 10 days following notice of such failure, (b) the executive has committed fraud or dishonesty in the performance of his or her duties, (c) the executive has committed an act constituting a felony, misdemeanor involving moral turpitude, or violation of federal securities laws, or the executive is indicted for a felony, (d) the executive has engaged in willful misconduct or gross negligence that could reasonably be expected to be injurious to our financial condition or business reputation, (e) the executive has materially breached our code of conduct or ethics or any other code of conduct in effect from time to time (to the extent applicable to the executive) resulting in a material adverse effect on us, or (f) the executive has breached an Employee Trade Secret Agreement, Confidential Information Agreement, Post-Employment Restriction Agreement, or other similar agreement resulting in an adverse effect on us.

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(ii) **good reason** generally means (a) a material reduction in the executive's position or responsibilities, (b) a material reduction in the executive's base salary or target bonus opportunity, except in connection with across-the-board compensation reductions of less than 10% applicable to similarly situated employees, or (c) a change in the geographic location of the executive's place of work by more than 50 miles. The executive must notify us in writing of his or her intent to terminate employment with good reason within 60 days after the occurrence of an event, and we have a 30-day cure period to remedy such event after receipt of notice.

(iii) **disability** generally means the executive's physical or mental incapacity rendering the executive incapable of performing his or her duties or responsibilities with respect to us for an extended period of time.

(iv) **change of control** generally means (a) a sale or other transfer of all or substantially all of our assets, (b) the transfer of more than 50% of our outstanding stock, or (c) the consummation of a merger, recapitalization or share exchange with another entity that results in a person obtaining 50% or more of our voting power; however, for purposes of the annual cash incentive plan, a **change of control** generally means (a) the acquisition by a person of 20% or more of our outstanding shares of common stock or of the voting power of the outstanding voting securities, (b) a change in the majority composition of our Board, (c) the consummation of a reorganization, merger, consolidation, sale or other disposition of all or substantially all of our assets, or (d) our stockholders' approval of a complete liquidation or dissolution.

### ***Compensation and Other Related Policies***

#### ***Policy for Deductibility of Compensation***

The Company's ability to deduct compensation expense for federal income tax purposes is subject to the limitations of Section 162(m) of the Internal Revenue Code. Section 162(m) limits deductibility to \$1 million for certain executive officers. During 2017, the Internal Revenue Code provided an exception to the Section 162(m) deduction limitation for compensation qualifying as **performance-based compensation** within the meaning of the Internal Revenue Code and the Treasury Regulations promulgated thereunder. During 2017, the Company generally designed and administered its executive compensation program with the intent that compensation paid to its Named Executives be deductible. However, the HRNC retained discretion to award compensation that was non-deductible in the event the HRNC believed such compensation was in the best interest of the Company, balancing tax efficiency with long-term strategic objectives. Among other changes, the **Tax Cuts and Jobs Act**, enacted in 2017, repealed the performance-based compensation exception to the Section 162(m) deduction limitation for tax years beginning after December 31, 2017. While the HRNC is mindful of the limitation imposed by Section 162(m) of the Internal Revenue Code, it also recognizes that facts and circumstances may render compliance with those limitations inappropriate, at odds with the best interests of the Company or out of step with the then-prevailing competitive market conditions. In such event, the HRNC's priority will be determining what is in the best interest of the Company and its stockholders rather than compliance with the technical limitations imposed by the Internal Revenue Code.

*Stock Ownership Guidelines For Executives (See discussion beginning on page 35).*

*Policy Regarding Trading in Company Stock (See discussion beginning on page 35).*

*Clawback Policy (See discussion beginning on page 35).*

**Table of Contents****EXECUTIVE COMPENSATION**

The following tables and accompanying narrative disclosure should be read in conjunction with the Compensation Discussion and Analysis above, which sets forth the objectives of MoneyGram's executive compensation and benefit programs.

**2017 SUMMARY COMPENSATION TABLE**

Name and Principal Position	Year	Salary (\$)	Bonus (\$)(1)	Awards (\$)(2)	Compensation (\$)(3)	Change in Pension Value and Non-Qualified Deferred	All Other Compensation (\$)(5)	Total (\$)
						Non-Equity Stock Incentive Plan Compensation (\$)(4)		
Pamela H. Patsley <i>Executive Chairman</i>	2017	650,000	1,625,000	1,462,507	737,100		10,800	4,485,407
	2016	659,519	812,500	1,170,005	674,600		10,600	3,327,224
	2015	925,000	812,500	5,550,016	3,574,400		10,600	10,872,516
W. Alexander Holmes <i>Chief Executive Officer</i>	2017	725,000	450,000	2,175,006	915,000		10,800	4,275,806
	2016	717,212	225,000	1,740,007	752,400		10,600	3,445,219
	2015	486,538	225,000	1,250,017	890,800		10,600	2,862,955
Lawrence Angelilli <i>Chief Financial Officer</i>	2017	398,077	0	675,012	310,800		10,800	1,394,689
	2016	347,479	0	472,501	254,300		10,700	1,084,980
Juan Agualimpia(6)	2017	217,500	300,000	675,012	201,961		576,120(7)	1,970,593
F. Aaron Henry <i>General Counsel</i>	2017	400,000	300,000	675,012	325,200		10,800	1,711,012
	2016	400,000	150,000	540,004	290,600		10,700	1,391,304
	2015	395,423	150,000	900,009	748,200		10,600	2,204,232
Grant Lines(8) <i>Chief Revenue Officer</i>	2017	350,068	300,000	675,012	298,992		90,890	1,714,962

- (1) MoneyGram typically awards annual cash incentive awards based on MoneyGram's achievement of certain performance targets established under our annual cash incentive plan, which incentive award amounts, if any, are recorded under the Non-Equity Incentive Plan Compensation column of this table. Payments made in December 2015, July 2016 and January 2017 with respect to the 2014 cash retention awards are reported in this column for the years in which they were paid. The cash retention awards paid out in three tranches over 25 months (contingent upon the Named Executive remaining employed with MoneyGram) as follows: (i) 25% on the 12-month anniversary of the date of grant; (ii) 25% on the 18-month anniversary of the date of grant; and (iii) 50% on the 25-month anniversary of the date of grant.
- (2) The amounts included in this column represent the aggregate grant date fair value of the RSUs awarded to Named Executives calculated in accordance with applicable accounting guidance under FASB ASC 718. The grant date fair values have been determined based on the assumptions and methodologies set forth in Note 11 *Stock-Based Compensation* of the Notes to Consolidated Financial Statements in our 2017 Form 10-K. In accordance with SEC rules, the grant date fair value for performance-based RSUs is reported based upon the Company's best estimate of the most probable outcome of the performance conditions at 100% achievement, which is the maximum level of performance conditions that may be earned under the awards.
- (3) Non-equity incentive plan compensation represents awards earned during a given year under the annual cash incentive plan. This column also includes cash payments made in 2017 with respect to the portion of the performance-based cash awards granted in 2016 that vested in 2017. The performance period applicable to the performance-based cash awards granted in 2016 ended on December 31, 2016, and, on

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February 22, 2017, the HRNC determined that the performance levels for such awards were met at a 96% attainment level. The amount included for the 2016 performance-based cash award in the 2017 row was as follows for each of the Named Executives: Ms. Patsley \$249,600; Mr. Holmes \$371,200; Mr. Henry \$115,200; Mr. Agualimpia \$112,320; Mr. Angelilli \$100,800; and Mr. Lines \$115,200. This column does not include amounts relating to the performance-based cash awards granted in 2017, which amounts will be recorded under the Non-Equity Incentive Plan Compensation column of this table in the year

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paid. This column also includes for 2015 the cash portion of the 2013 contingent performance award, which was granted on February 26, 2013 and contained a performance condition for the period of January 1, 2013 through December 31, 2015, which condition was satisfied. The cash portion of the 2013 contingent performance award is as follows for each of the Named Executives: Ms. Patsley \$2,162,500; Mr. Holmes \$425,000; and Mr. Henry \$425,000.

- (4) No Named Executive is eligible to receive a pension payment.
- (5) For a breakdown of the components that comprise all other compensation for the Named Executives, refer to the table entitled 2017 Details Behind All Other Compensation Column Table immediately below.
- (6) Mr. Agualimpia's employment with MoneyGram ended on July 7, 2017.
- (7) Amounts reported in the All Other Compensation column for Mr. Agualimpia reflect (a) a cash severance payment received by Mr. Agualimpia pursuant to his severance agreement in connection with his termination on July 7, 2017, (b) the value of approximately one-third, or the subsequent tranche eligible to vest of Mr. Agualimpia's performance cash awards granted in February of each of 2016 and 2017 at the actual performance attainment levels of 96% and 75%, respectively, as determined by the HRNC, that were paid to Mr. Agualimpia in connection with his termination, and (c) payment of Mr. Agualimpia's accrued but unused paid time off. The severance payment is equal to one year of Mr. Agualimpia's annual base salary in effect on the date of his termination. Please see the Potential Payment and Benefits upon Termination without Cause or Termination by Executive with Good Reason table below for additional details regarding benefits received by Mr. Agualimpia in connection with his termination.
- (8) Amounts reported for Mr. Lines for 2017 reflect the conversion from United Arab Emirates Dirham (AED) to United States Dollars (USD) at the conversion rate in effect as of December 31, 2017, or approximately 1 AED to 0.2723 USD.

### 2017 DETAILS BEHIND ALL OTHER COMPENSATION COLUMN

Name	Year	Perquisites and Other Personal Benefits (\$)(1)	Registrant Contributions to Defined Contribution Plans (\$)(2)	Insurance Premiums (\$)	Tax Reimbursement (\$)	Severance and Other Termination Payments (\$)(3)	Miscellaneous (\$)(4)
Pamela H. Patsley	2017		10,800				
W. Alexander Holmes	2017		10,800				
Lawrence Angelilli	2017		10,800				
Juan Agualimpia	2017		10,800			558,570	6,750
F. Aaron Henry	2017		10,800				
Grant Lines	2017	90,890					

- (1) Amounts included in this column for Mr. Lines reflect costs of \$74,887 for Company-provided housing and \$16,003 for the Company to lease a vehicle for use by Mr. Lines.
- (2) The 401(k) plan allows employees to defer up to 50% of eligible compensation subject to federal tax law limits. MoneyGram matches 100% of the first three percent and 50% of the next two percent of compensation deferred. The matching contributions for 2017 are set forth in the table.

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- (3) Reflects cash severance payments received by Mr. Agualimpia pursuant to his severance agreement in connection with his termination on July 7, 2017. The severance payment is equal to one year of Mr. Agualimpia's annual base salary in effect on the date of his termination. This amount also reflects the value of approximately one-third, or the subsequent tranche eligible to vest of Mr. Agualimpia's performance cash awards granted in February of each of 2016 and 2017 at the actual performance attainment levels of 96% and 75%, respectively, as determined by the HRNC, that Mr. Agualimpia was eligible to receive pursuant to the applicable award agreements. Please see the Potential Payment and Benefits upon Termination without Cause or Termination

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by Executive with Good Reason table below for additional details regarding benefits received by Mr. Agualimpia in connection with his termination.

(4) Reflects the cash payout of accrued but unused paid time off received by Mr. Agualimpia connection with his termination on July 7, 2017.

### 2017 GRANTS OF PLAN-BASED AWARDS

The following table summarizes the 2017 grants of equity and non-equity plan-based awards for each Named Executive.

Name	Grant Date(1)	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards(2)			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Underlying Units	All Other Option Awards: or Exercise Base Price of Option Awards	Grant Date Fair Value of Stock and Option Awards (\$)(3)
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)			
Pamela H. Patsley	2/22/2017**	325,000	650,000	1,300,000						
	2/22/2017*	243,750	487,500							
	2/22/2017*				19,163	38,326				487,507
	2/22/2017*							76,651		975,001
W. Alexander Holmes	2/22/2017**	362,500	725,000	1,450,000						
	2/22/2017*	362,500	725,000							
	2/22/2017*				28,499	56,997				725,002
	2/22/2017*							113,994		1,450,004
Lawrence Angelilli	2/22/2017**	140,000	280,000	560,000						
	2/22/2017*	112,500	225,000							
	2/22/2017*				8,845	17,689				225,004
	2/22/2017*							35,378		450,008
Juan Agualimpia	2/22/2017**	136,500	273,000	546,000						
	2/22/2017*	112,500	225,000							
	2/22/2017*				8,845	17,689				225,004
	2/22/2017*							35,378		450,008
F. Aaron Henry	2/22/2017**	140,000	280,000	560,000						
	2/22/2017*	112,500	225,000							
	2/22/2017*				8,845	17,689				225,004
	2/22/2017*							35,378		450,008
Grant Lines	2/22/2017	122,500	245,000	490,000						
	2/22/2017	112,500	225,000							
	2/22/2017				8,845	17,689				225,004
	2/22/2017							35,378		450,008

\* Denotes performance-based RSUs, time-based RSUs and performance-based cash awards granted pursuant to the 2005 Plan.

\*\* Denotes awards granted pursuant to the annual cash incentive plan, which by its terms is governed by the 2005 Plan.

(1) The grant date of all annual cash incentive plan awards, performance-based cash awards and RSU awards is the date of the HRNC meeting at which such award was approved.

- (2) The awards described under these columns reflect (a) potential awards under the annual cash incentive plan and (b) the performance-based cash awards granted in 2017. Actual payout amounts of the annual cash incentive awards have already been determined and were paid in February 2018 and are included in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table above. Performance-based cash awards will be reported in the Summary Compensation table in the year paid.



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- (3) The amount included in this column represents the aggregate grant date fair value of the awards made to Named Executives calculated in accordance with applicable accounting guidance under FASB ASC 718 (see Note 11 *Stock-Based Compensation* of the Notes to Consolidated Financial Statements in our 2017 Annual Report on Form 10-K). For RSUs, the grant date fair value is determined as the closing sales price of the common stock on the grant date multiplied by the number of units that are expected to vest, assuming that the target performance condition will be met in the case of performance-based RSUs.

*Restricted Stock Units.* Awards of RSUs were granted under the 2005 Plan for 2017. The performance-based RSUs vest in three equal installments on each anniversary of the grant date if certain performance goals are achieved, with up to 50% of the performance-based RSUs eligible to vest over such three year period if a target level of Adjusted EBITDA is achieved for the year ended December 31, 2017 and up to 50% of the performance-based RSUs eligible to vest over such three year period if a target level of total revenue on a constant currency basis is achieved for the year ended December 31, 2017. Under the terms of the award agreements, these performance-based RSUs have the potential to pay out at 50% of the number of units awarded if the Company achieves threshold-level performance. Attainment between the threshold and target performance goals is subject to straight-line interpolation. On January 31, 2018, the HRNC determined that the performance levels were met at a 75% attainment level.

For RSUs subject to time-based vesting that were granted during 2017, the RSUs will vest, and become payable in shares of the Company's common stock, in three substantially equal, annual installments measured from the grant date as long as the Named Executive remains continuously employed by the Company or one of its subsidiaries through the applicable vesting date.

*Performance Cash Awards.* Performance cash awards were granted under the 2005 Plan for 2017. The performance cash awards vest in three equal installments on each anniversary of the grant date if certain performance goals are achieved, with up to 50% of the performance cash awards eligible to vest over such three-year period if a target level of Adjusted EBITDA is achieved for the year ended December 31, 2017 and up to 50% of the performance cash awards eligible to vest over such three year period if a target level of total revenue on a constant currency basis is achieved for the year ended December 31, 2017. Under the terms of the award agreements, these performance cash awards have the potential to pay out at 50% of target cash amount awarded if the Company achieves threshold-level performance. Attainment between the threshold and target performance goals is subject to straight-line interpolation. On January 31, 2018, the HRNC determined that the performance levels were met at a 75% attainment level.

For a more detailed discussion of the information set forth in the Summary Compensation Table and Grants of Plan-Based Awards Table above, please see the section above titled *Compensation Discussion and Analysis 2017 Compensation Review and Decisions*.

**Table of Contents****OUTSTANDING EQUITY AWARDS AT DECEMBER 31, 2017**

The following table summarizes the total outstanding equity awards as of December 31, 2017 for each Named Executive.

Name	Number of Securities Underlying Unexercised Options		Option Awards			Stock Awards			
	Exercisable (#)(1)	Unexercisable (#)(1)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$/Sh)(2)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)(3)	Market Value (as of December 31, 2017) of Shares or Units of Stock That Have Not Vested (\$)(5)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested (#)(4)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)(5)
<b>Pamela H. Patsley</b>									
Grant Date:									
01/21/09	415,625			12.00	01/21/19				
05/12/09	93,750			12.72	05/12/19				
08/31/09	393,750			21.28	08/31/19				
11/17/11	27,530			17.03	11/17/21				
02/26/13	136,543			16.48	02/26/23				
02/25/15						215,584	2,841,397		
02/23/16						152,585	2,011,070		
02/22/17						76,651	1,010,260	38,326	505,137
<b>W. Alexander Holmes</b>									
Grant Date:									
08/11/09	50,000			18.40	08/11/19				
02/17/10	12,500			22.24	02/17/20				
07/11/11	25,000			28.00	07/11/21				
11/17/11	8,250			17.03	11/17/21				
03/21/12	13,526			18.39	03/21/22				
02/26/13	26,835			16.48	02/26/23				
02/25/15						48,556	639,968		
02/23/16						226,921	2,990,819		
02/22/17						113,994	1,502,441	56,997	751,220
<b>Lawrence Angelilli</b>									
Grant Date:									
09/27/11	31,250			19.28	09/27/21				
11/17/11	3,000			17.03	11/17/21				
02/26/13	7,989			16.48	02/26/13				
02/24/14	6,146			20.08	02/24/24				
02/25/15						5,384	70,961		
02/23/16						61,621	812,165		
02/22/17						35,378	466,282	17,689	233,141
<b>Juan Agualimpia</b>									
Grant Date:									
03/17/10	15,625			24.80	03/17/20				
05/26/10	46,875			21.44	05/26/20				
02/15/11	31,250			23.28	02/15/21				
11/17/11	8,250			17.03	11/17/21				
02/26/13	26,835			16.48	02/26/23				
02/22/17								17,689	233,141
<b>F. Aaron Henry</b>									

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Grant Date:							
02/15/11	31,250	23.28	02/15/21				
11/17/11	3,220	17.03	11/17/21				
07/16/12	6,276	15.51	07/16/22				
08/21/12	10,417	16.10	08/21/22				
02/26/13	26,835	16.48	02/26/23				
02/25/15				34,961	460,786		
02/23/16				70,424	928,188		
02/22/17				35,378	466,282	17,689	233,141

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Name	Number of Securities Underlying Unexercised Options		Option Awards			Number of Shares or Units of Stock That Have Not Vested		Stock Awards		Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested
			Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options	Option Exercise Price (\$/Sh)(2)	Option Expiration Date			Market Value (as of December 31, 2017) of Shares or Units of Stock That Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested	
	Exercisable (#)(1)	Unexercisable (#)(1)	Unexercised Options (#)			Vested (#)(3)		Not Vested (\$)(5)		(\$)(5)
Grant Lines										
Grant Date:										
02/25/15						27,532		362,872		
02/23/16						61,621		812,165		
02/22/17						35,378		466,282	17,689	233,141

- (1) For options granted in 2009 through October 2011, 50% of the shares are considered time-vested and 50% of the shares are considered stock performance-vested. The time-vested portion of the options vests (i) for Ms. Patsley, in four equal annual installments, beginning one year from the grant date, and have a ten-year term, or (ii) for the other applicable Named Executives, in five equal annual installments, beginning one year from the grant date, and have a ten-year term. With respect to the stock performance-vested portion of the options, shares vest in two installments when the value of the common stock of the Company reaches a certain price per share for a period of 20 consecutive trading days for each installment during the five-year period following the grant date.

For the options granted November 17, 2011 through February 2013, 25% of the options vested on each anniversary of the grant date through the fourth anniversary of the grant date. The options have a ten-year term. The per share purchase price of the shares subject to the options is the fair market value of the Company's common stock on the grant date. For the options granted February 24, 2014, approximately one-third of the options vested on each anniversary of the grant date through the third anniversary of the grant date. The options have a ten-year term. The per share purchase price of the shares subject to the options is the fair market value of the Company's common stock on the grant date.

- (2) For options granted on January 21, 2009, the exercise price was set at \$12.00, which amount was determined to be greater than or equal to the fair market value of our common stock on the grant date. For options granted after January 21, 2009, the exercise price was set at \$12.00 or the fair market value of our common stock on the grant date, defined as the closing sale price of the shares on the grant date, whichever was higher.
- (3) For awards of time-based RSUs granted during 2015, 2016 and 2017, the awards will vest, and become payable in shares of the Company's common stock, in three substantially equal annual installments beginning one year from the grant date as long as the Named Executive remains continuously employed by the Company through the applicable vesting date. This column also reflects the number of performance-based RSUs that remain eligible to vest pursuant to the performance-based RSUs granted in each of February 2015 and 2016, based on actual Company performance with respect to the performance goals as of the end of the performance period (December 31, 2015 and December 31, 2016 for the 2015 and 2016 performance-based RSUs, respectively), as determined by the HRNC. In February 2017, the HRNC determined that the performance levels for the 2016 performance-based RSUs were met at the 96% attainment level. In February 2016, the HRNC determined that the performance levels for the 2015 performance-based RSUs were met at the target performance level. The 2016 and 2015 performance-based RSUs vest in three equal installments on each anniversary of the grant date, subject to continuous employment by the Company or one of its subsidiaries through the vesting date.

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- (4) This column reflects the target number of performance-based RSUs granted in February 2017. In January 2018, the HRNC determined, based on actual Company performance with respect to the performance goals as of the end of the performance period (December 31, 2017), that the performance levels for the 2017 performance-based RSUs were met at a 75% attainment level. These performance-based RSUs vest in three equal installments on each anniversary of the grant date, subject to continuous employment by the Company or one of its subsidiaries through the vesting date.
- (5) The market value of shares or units of stock is calculated by multiplying the number of shares or units reported with respect to the award by the closing price of our stock on the Nasdaq on December 29, 2017, which was \$13.18 per share.

### 2017 OPTION EXERCISES AND STOCK VESTED TABLE

The following table summarizes the vesting of RSUs during 2017 for each Named Executive. No stock options were exercised by any Named Executives during 2017.

Named Executive	Option Awards		Stock Awards(1)	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting #(2)	Value Realized on Vesting \$(3)
Pamela H. Patsley			337,615	\$ 4,309,820
W. Alexander Holmes			171,156	\$ 2,183,396
Lawrence Angelilli			38,168	\$ 486,727
Juan Agualimpia (4)			152,594	\$ 2,309,829
F. Aaron Henry			77,242	\$ 985,677
Grant Lines			63,876	\$ 815,081

- (1) Represents vesting of (1) a portion of the time-based RSUs granted on February 24, 2014, (2) the performance-based RSUs granted on December 10, 2014 for Mr. Angelilli, (3) a portion of the time-based RSUs granted on February 25, 2015, (4) a portion of the performance-based RSUs granted on February 25, 2015, (5) a portion of the time-based RSUs granted on February 23, 2016, and (6) a portion of the performance-based RSUs granted on February 23, 2016. With respect to the performance-based RSUs granted on February 24, 2014 that were scheduled to vest in 2014, on February 22, 2017, the HRNC determined that the threshold performance level applicable to such awards was not attained, and, accordingly, such awards were forfeited in their entirety.
- (2) Aggregate number of shares acquired upon vesting and reported in the table above includes the number of shares that were withheld for the payment of tax liabilities. The number of shares withheld for the payment of United States tax liabilities in connection with such vesting was as follows for each of the Named Executives: Ms. Patsley 141,633 shares; Mr. Holmes 71,804 shares; Mr. Angelilli 10,442 shares; Mr. Henry 27,717 shares; and Mr. Agualimpia 59,217 shares.
- (3) Aggregate dollar amount realized upon vesting is computed by multiplying the number of shares subject to the RSU award that vested by the market value on the Nasdaq of the underlying shares, which in the case of the time-based RSUs granted on February 24, 2014, was \$12.77 on February 24, 2017, in the case of the performance-based RSUs granted to Mr. Angelilli on December 10, 2014, was \$12.72 on February 22, 2017, in the case of the time-based and performance-based RSUs granted on February 25, 2015, was \$12.77 on February 24, 2017 (the last trading day before the vesting date), and, in the case of the time-based and performance-based RSUs granted on February 23, 2016, was \$12.75 on February 23, 2017.
- (4) In addition to the RSUs described in footnote 1 above, amounts for Mr. Agualimpia also include accelerated vesting of approximately one-third, or the subsequent tranche eligible to vest, of the

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time-based RSUs granted to Mr. Agualimpia in February of each of 2015, 2016 and 2017 and the performance-based RSUs granted to Mr. Agualimpia in each of February 2015, 2016 and 2017, in each case, multiplied by the closing market price of our common stock on July 7, 2017, which was \$17.36 per share.

### **Retirement Plans**

#### ***401(k) Plan***

The 401(k) plan is the Company's primary retirement plan for United States employees, including Named Executives. The 401(k) plan is a defined contribution plan that allows employees whose customary employment is for 1,000 hours or more per year to defer up to 50% of their eligible compensation on a pre-tax or post-tax basis subject to limitations under the Internal Revenue Code. MoneyGram matches 100% of the first three percent and 50% of the next two percent of compensation deferred by an eligible employee. In addition, a discretionary contribution may be granted annually by our Board; however, no discretionary contribution was granted for 2017. Employer contributions are initially invested according to a participant's investment election for employee contributions. Employees may not maintain more than ten percent of their 401(k) plan account balances in MoneyGram stock. Employee contributions and the employer match are immediately 100% vested.

### **Pension Benefits**

Other than our 401(k) plan, we do not have any plan that provides for payments or other benefits at, following, or in connection with, retirement.

### **Non-Qualified Deferred Compensation**

None of the Named Executives participates in a plan that provides for the deferral of compensation on a basis that is not tax qualified.

### **Potential Payments upon Termination or Change of Control**

The following tables reflect the amount of compensation that each of the Named Executives would have received in the event of termination of such Named Executive's employment with MoneyGram under a variety of circumstances, assuming that termination was effective as of December 31, 2017. The amounts represent the compensation and benefits due and payable upon the different termination events as provided for in the applicable agreements and plans in existence as of December 31, 2017. The amounts do not contemplate any changes to existing arrangements or new arrangements that became effective after December 31, 2017, including the amended severance agreements. As described above under 2018 Compensation Decisions Other Agreements Severance Agreements, our Named Executives' individual severance agreements were amended in connection with the Company's entry into the merger agreement with Ant Financial on January 26, 2017 to provide the Named Executives, other than Ms. Patsley and Mr. Holmes, certain protections in the event of a termination of by MoneyGram without cause or by the Named Executive for good reason within the two-year period following the effective time of the merger. Following the termination of the merger agreement with Ant Financial on January 2, 2018, the individual severance agreements were further amended and restated, effective January 2, 2018, to provide the Named Executives, other than Ms. Patsley and Mr. Holmes, certain protections in the event of a qualifying termination within the two-year period following the consummation of a change in control.

While the summaries below provide an estimate of the payments that may be made to the Named Executives, actual payments to a Named Executive upon the various termination events can only be determined at the time of such Named Executive's actual termination. The tables include only those benefits, if any, that are enhanced or increased as a result of the termination event specified and do not include benefits that the Named Executive is entitled to receive regardless of the termination event,

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including but not limited to: (i) any base salary earned but not yet paid; (ii) amounts contributed to or accrued and earned under broad-based employee benefit plans, such as the 401(k) plan; and (iii) basic continuation of medical, dental, life and disability benefits.

Notwithstanding the foregoing, the following tables and summaries reflect the actual amounts Ms. Patsley and Mr. Agualimpia were eligible to receive to in connection with their terminations on February 2, 2018 and July 7, 2017, respectively.

***Potential Payments and Benefits upon Termination following a Change of Control***

Certain of MoneyGram's compensation and benefit plans contain provisions for enhanced benefits upon a termination within a specified period following a change of control of MoneyGram. The following table sets forth the benefits each Named Executive would have been eligible to receive pursuant to each Named Executive's employment agreement or severance agreement, as applicable, and under our awards granted pursuant to the 2005 Plan upon a termination of employment without cause or for good reason immediately following a change of control of the Company on or December 31, 2017.

Benefit	W. Alexander Holmes(1)	F. Aaron Henry(2)	Lawrence Angelilli(2)	Grant Lines(2)
Severance payment	\$ 2,900,000	\$ 400,000	\$ 400,000	\$ 350,000
Bonus (annual cash incentive plan)(3)	543,750	210,000	210,000	183,800
Accelerated vesting of RSUs(4)	4,332,016	1,475,646	1,183,208	1,329,308
Accelerated vesting of Performance-Based RSUs(5)	1,552,433	612,751	399,341	545,151
Accelerated vesting of Performance Cash Awards (6)	1,467,400	455,400	426,600	426,600
Welfare benefits(7)	37,708			
<b>Total</b>	<b>\$ 10,833,307</b>	<b>\$ 3,153,797</b>	<b>\$ 2,619,149</b>	<b>\$ 2,834,859</b>

- (1) The Holmes Employment Agreement does not provide any payments or benefits upon a termination of employment in connection with a change of control beyond the benefits and payments provided upon a termination of employment without cause or with good reason in the absence of a change of control. Please see footnote (2) to the Potential Payments and Benefits upon Termination without Cause or Termination by Executive with Good Reason table for an explanation of amounts potentially payable to Mr. Holmes under the Holmes Employment Agreement upon a termination of employment by the Company without cause or by Mr. Holmes for good reason. The amounts included in this table for Mr. Holmes with respect to RSUs, performance-based RSUs and Performance Cash Awards reflect the amounts Mr. Holmes is eligible to receive pursuant to his applicable award agreements in connection with an involuntary termination without cause or for good reason following a change in control.
- (2) The severance agreements with Messrs. Henry, Angelilli and Lines in effect on December 31, 2017 provided for (i) severance in an amount equal to one year of the Named Executive's annual base salary, (ii) provided the Company achieves its applicable performance goals, a pro rata portion of the Named Executive's annual incentive bonus for the year in which the termination occurs (not to exceed the Named Executive's annual target incentive opportunity), and (iii) full vesting of any outstanding restricted stock unit awards or long-term performance-based cash awards (at 100% of the applicable target level, in the case of any award subject to performance-based vesting criteria if termination occurs on or prior to the last day of the performance period), in each case, upon a termination without cause or for good reason within the two-year period following the effective time of the proposed merger with Ant Financial. As discussed in 2018 Compensation Decisions Other Agreements Severance Agreements, the individual severance agreements were amended and restated, effective January 2, 2018, to provide for the same benefits upon the consummation of any change in control, as opposed to only the consummation of the proposed merger with Ant Financial. As such, the table above therefore reflects payments under the amended and restated severance agreements with Messrs. Henry, Angelilli and Lines.

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upon termination without cause or for good reason within the two-year period following any change in control.

- (3) Amount represents a 2017 annual cash incentive plan payment based on actual achievement of Company performance goals through December 31, 2017.
- (4) Valuation is based on the number of shares subject to the time-based RSU awards that would vest upon a change in control in connection with an involuntary termination without cause or good reason multiplied by the closing market price of our common stock on December 29, 2017, which was \$13.18 per share.
- (5) Represents the target amount of the performance-based RSUs granted in 2017 and the remaining unvested portion of the performance-based RSUs granted in February of each of 2015 and 2016 based on actual performance, in each case, that would vest upon a change of control in connection with an involuntary termination without cause or for good reason. On December 31, 2017, the performance period applicable to the performance-based RSUs granted in February 2017 had not yet ended; however, on January 31, 2018, the HRNC determined that the performance levels with respect to such awards were met at a 75% attainment level. Valuation is based on the number of shares subject to the performance-based RSU awards that would vest upon a change in control in connection with an involuntary termination without cause or good reason multiplied by the closing market price of our common stock on December 29, 2017, which was \$13.18 per share.
- (6) Represents the target amount of performance cash awards granted in February 2017 and the remaining unvested portion of performance cash awards granted in February 2016 based upon actual performance attainment, which would vest upon a change of control in connection with an involuntary termination without cause or for good reason. On December 31, 2017, the performance period applicable to the performance cash awards granted in February 2017 had not yet ended; however, on January 31, 2018, the HRNC determined that the performance levels with respect to such awards were met at a 75% attainment level. With respect to the remaining unvested portions of the performance cash awards granted in February 2016, which are scheduled to vest in equal installments on February 23 of each of 2018 and 2019, the amounts reported in this row reflect the actual performance attainment levels of 96% with respect to such awards.
- (7) Amount represents the value of continued welfare benefits during the applicable severance period following a termination without cause or for good reason, which is up to 24 months for Mr. Holmes under the Holmes Employment Agreement.

### ***Potential Payments and Benefits upon Termination without Cause or Termination by Executive with Good Reason***

The following table sets forth the benefits Messrs. Holmes, Henry, Angelilli and Lines would have been eligible to receive pursuant to each such Named Executive's employment agreement or severance agreement, as applicable, and under our awards granted pursuant to the 2005 Plan upon a termination of employment without cause or, in the case of Mr. Holmes, for good reason, as of December 31, 2017. With respect to Ms. Patsley and Mr. Agualimpia, the following table sets forth the actual amounts Ms. Patsley was eligible to receive in connection with her retirement on February 2,



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2018 and the actual amounts Mr. Agualimpia was eligible to receive in connection with his termination on July 7, 2017.

Benefit	Pamela H. Patsley(1)	W. Alexander Holmes(2)	F. Aaron Henry(3)	Juan Agualimpia(4)	Lawrence Angelilli(3)	Grant Lines(3)
Severance Payment(5)	\$	\$ 2,900,000	\$ 400,000	\$ 390,000	\$ 400,000	\$ 350,000
Bonus (annual cash incentive plan)(6)	58,800	543,750	210,000	89,641	210,000	\$ 183,800
Accelerated vesting of RSUs(7)	3,641,429	2,073,372	774,668	988,565	530,969	\$ 677,070
Accelerated vesting of Performance-Based RSUs(8)	1,875,598	748,245	363,165	430,162	159,099	\$ 304,909
Accelerated vesting of Performance Cash Awards (9)	864,825	552,450	171,450	168,570	157,050	\$ 157,050
Welfare Benefits(10)		37,708				\$
Total	\$ 6,440,652	\$ 6,855,525	\$ 1,919,283	\$ 2,066,938	\$ 1,457,118	\$ 1,672,829

- (1) In connection with her retirement on February 2, 2018, Ms. Patsley was eligible to receive (1) a prorated portion of her annual incentive bonus for 2018 based on target performance, (2) accelerated vesting of the time-based RSUs granted to Ms. Patsley in February of each of 2015, 2016 and 2017 and the performance-based RSUs granted to Ms. Patsley in each of February 2015, 2016 and 2017 multiplied by the closing market price of our common stock on February 2, 2018, which was \$11.65 per share, and (4) accelerated vesting of Ms. Patsley's performance cash awards granted in February of each of 2016 and 2017 at the actual performance attainment levels of 96% and 75%, respectively, as determined by the HRNC.
- (2) For a description of Mr. Holmes' severance benefits under the Holmes Employment Agreement, see Part Four Other Important Information Compensation Discussion and Analysis Employment and Other Agreements Executive Employment Agreements W. Alexander Holmes for more information. In the event of a termination by the Company without cause or by Mr. Holmes for good reason on or after January 1, 2016, Mr. Holmes' outstanding cash and equity-based incentive awards (a) granted prior to January 1, 2016, will continue to be governed by the terms of the applicable award.
- (3) Messrs. Henry, Angelilli and Lines entered into amended and restated severance agreements with the Company, which provide for severance if the Named Executive's employment is terminated by the Company without cause. The amended and restated severance agreements provide for: (i) salary severance equal to the Named Executive's then current monthly base salary multiplied by 12, payable in equal monthly installments; and (ii) bonus severance equal to a pro rata portion of the Named Executive's annual target incentive bonus for the year in which the termination occurs (not to exceed the Named Executive's annual target incentive opportunity), payable in a lump sum. For a description of the amended and restated severance agreements, see Part Four Other Important Information Compensation Discussion and Analysis Employment and Other Agreements Other Agreements Severance Agreements.
- (4) Mr. Agualimpia's employment with MoneyGram ended on July 7, 2017. These amounts represent the amounts that Mr. Agualimpia was eligible to receive in connection with his termination pursuant to his existing agreements, which include (1) severance in an amount equal to one year of Mr. Agualimpia's annual base salary, (2) a pro rata portion of Mr. Agualimpia's annual incentive bonus for 2017, (3) accelerated vesting of approximately one-third, or the subsequent tranche eligible to vest, of the time-based RSUs granted to Mr. Agualimpia in February of each of 2015, 2016 and 2017 and the performance-based RSUs granted to Mr. Agualimpia in each of February 2015 and 2016, in each case, multiplied by the closing market price of our common stock on July 7, 2017, which was \$17.36 per share, (4) vesting of approximately one-third, or the subsequent tranche eligible to vest, of the performance-based RSUs granted to Mr. Agualimpia in February 2017, which remained outstanding and eligible to vest based upon actual performance

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following Mr. Agualimpia's termination, multiplied by the closing market price of our common stock on the vesting date, February 22, 2018, which was \$11.31 per share, and (5) accelerated vesting of approximately one-third, or the subsequent tranche eligible to vest of Mr. Agualimpia's performance cash awards granted in February of each of 2016 and 2017 at the actual performance attainment levels of 96% and 75%, respectively, as determined by the HRNC.

- (5) For a description of the calculation of the salary severance payment, see the discussion of the employment agreements and severance agreements set forth in Part Four Other Important Information Compensation Discussion and Analysis Employment and Other Agreements in this proxy statement.
- (6) Except for Ms. Patsley and Mr. Agualimpia, whose payments are described in footnotes (1) and (4), respectively, amount represents a 2017 annual cash incentive plan payment based on actual achievement of Company performance goals through December 31, 2017.
- (7) Except for Ms. Patsley and Mr. Agualimpia, whose payments are described in footnotes (1) and (4), respectively, valuation is based on the number of shares subject to the time-based RSU awards that would vest upon a termination without cause or with good reason multiplied by the closing market price of our common stock on December 29, 2017, which was \$13.18 per share.
- (8) Except for Ms. Patsley and Mr. Agualimpia, whose payments are described in footnotes (1) and (4), respectively, valuation is based on the number of shares subject to the performance-based RSU awards (based on actual performance attainment) that would vest upon a termination without cause or with good reason multiplied by the closing market price of our common stock on December 29, 2017, which was \$13.18 per share.
- (9) Except for Ms. Patsley and Mr. Agualimpia, whose payments are described in footnotes (1) and (4), respectively, amounts represent the value of the performance cash award granted in February 2017 and the remaining unvested portion of performance cash awards granted in February 2016 that would accelerate (a) with respect to Mr. Holmes, upon a termination without cause, for good reason or due to death or disability and (b) with respect to the Messrs. Henry, Angelilli and Lines, upon a termination without cause or due to death or disability, each based on the actual performance attainment levels of 75% for the performance cash awards granted in February 2017 and 96% for the performance cash awards granted in February 2016, each as determined by the HRNC.
- (10) Amount represents the value of continued welfare benefits upon a termination without cause or for good reason during the applicable severance period, which is up to 24 months for Mr. Holmes under the Holmes Employment Agreement..

### **Potential Payments and Benefits upon Retirement, Death or Disability**

The columns in the table below represent payments that each of the Named Executives would be eligible to receive in the event of a qualified retirement (age 55 with ten years of service) or the Named Executive's death or disability. The Named Executives would be entitled to receive pro rata payments under certain incentive plans and certain pro rata vesting of RSUs. The payments below assume that the termination event occurred as of December 31, 2017.

Benefit	W. Alexander Holmes	F. Aaron Henry	Lawrence Angelilli	Grant Lines
Bonus (annual cash incentive plan)(1)	543,750	210,000	210,000	183,800
Accelerated vesting of RSUs(2)	2,073,372	774,668	530,969	677,070
Accelerated vesting of Performance-Based RSUs(3)	748,245	363,165	159,099	304,909
Accelerated vesting of Performance Cash Awards (4)	552,450	171,450	157,050	157,050
Total	\$ 3,917,817	\$ 1,519,283	\$ 1,057,118	\$ 1,322,829



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- (1) Pursuant to the annual cash incentive plan, if a participant terminates employment due to (i) retirement upon attaining age 55 or older and completing 10 years of service with the Company, (ii) death, or (iii) disability, the participant is eligible to receive a pro rata bonus award if bonus awards are paid by the Company.
- (2) Valuation is based on the number of shares subject to the time-based RSU awards that would vest upon a termination due to death or disability multiplied by the closing market price of our common stock on December 29, 2017, which was \$13.18 per share.
- (3) Valuation is based on the number of shares subject to the performance-based RSU awards (based on actual performance attainment) that would vest upon a termination due to death or disability multiplied by the closing market price of our common stock on December 29, 2017, which was \$13.18 per share.
- (4) Amounts represent the value of the performance cash awards granted in February 2017 and the remaining unvested portion of the performance cash award granted in February 2016 that would accelerate (a) with respect to Mr. Holmes, upon a termination without cause, for good reason or due to death or disability and (b) with respect to Messrs. Henry, Angelilli and Lines, upon a termination without cause or due to death or disability, each based on the actual performance attainment levels of 75% for the performance cash awards granted in February 2017 and 96% for the performance cash awards granted in February 2016, each as determined by the HRNC.

### **CEO Pay Ratio**

Pursuant to Section 953(b) of the Dodd-Frank Act and Item 402(u) of Regulation S-K, this section provides information regarding the relationship of the annual total compensation of all of our employees to the annual total compensation of our CEO, Mr. Holmes.

For 2017, our last completed fiscal year:

The median of the annual total compensation of all employees of our company (other than our CEO) was \$52,575; and

The annual total compensation of our CEO, as reported in the Summary Compensation Table above, was \$4,275,806.

Based on this information, for 2017, the ratio of the annual total compensation of Mr. Holmes to the median of the annual total compensation of all of our employees was 81 to 1.

### ***Methodology and Assumptions***

The median annual total compensation for all our employees reported above reflects the compensation actually paid to an employee who represents the median of our entire employee population when ranked on the basis of compensation. To identify this median employee, as well as to determine the ratio of the total annual compensation of the median employee to the total annual compensation of our Chief Executive Officer, we utilized the methodology and assumptions set forth below.

We selected December 31, 2017 as the date on which to determine our employee population for purposes of identifying our median employee, because such date provided payroll data and other information necessary to efficiently determine our employee population. As of December 31, 2017, our employee population consisted of 2,936 individuals, including 1,180 full-time employees in the U.S. and 1,756 full-time employees outside of the U.S. This population includes all individuals employed by the company or any of its consolidated subsidiaries, whether as a full-time, part-time, seasonal, or temporary workers. This population does not include independent contractors engaged by the Company.

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In identifying our median employee, we utilized the consistently applied compensation measures described below, which we believe provide a reasonable basis for determining each employee's total annual compensation as well as a useful measure in evaluating each employee's total annual compensation and identifying our median employee. For employees located in the United States, we calculated total annual compensation by aggregating, as applicable, each such employee's (i) base wages or salary (including any overtime pay) realized for the 2017 fiscal year, (ii) annual incentive bonus or any other type of incentive pay received in the 2017 fiscal year, and (iii) target annual long-term incentive plan amounts in effect as of the end of the 2017 fiscal year. For employees located outside the United States, we utilized the same compensation measure used for employees located in the United States, except that we used base wages or salary amounts, as applicable, that were in effect as of December 31, 2017 (as opposed to actually realized for fiscal year 2017), as precise base wage and salary information was not available for all of our foreign employees. For the 606 employees hired during 2017, we annualized each such employee's compensation in order to establish a more direct comparison to the annual total compensation of our employees that were employed for all of 2017. Such annualization adjustments included target annual bonus amounts for the employees hired in 2017 in order to more closely approximate the compensation such employees would have received had they been employed by the Company for all of 2017 and to align such annualized amounts with the annual total compensation of our employees that were employed for all of 2017 and received annual bonuses in the first quarter of 2017. No cost-of-living adjustments were made in identifying our median employee. This calculation methodology was consistently applied to our entire employee population, determined as of December 31, 2017, in order to identify our median employee.

Following the identification of our median employee, we calculated each element of our median employee's annual compensation for 2017 in accordance with paragraph (c)(2)(x) of Item 402 of Regulation S-K. The difference between our median employee's total annual compensation calculated using our consistently applied compensation measure for determining our median employee and the employee's annual total compensation calculated in accordance with paragraph (c)(2)(x) of Item 402 of Regulation S-K represents the Company's 401(k) matching contributions made with respect to such employee pursuant to our 401(k) plan and a one-time cash recognition award that was not included as an element of our consistently applied compensation measure used in determining our median employee, as such award represents a non-recurring payment. Similarly, the 2017 annual total compensation of our CEO was calculated in accordance with paragraph (c)(2)(x) of Item 402 of Regulation S-K, as reported in the Total column of the Summary Compensation Table above.

## **SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires that our directors and executive officers, and persons who own more than 10 percent of a registered class of our equity securities, file reports of ownership and changes in ownership of our securities with the SEC and the Nasdaq. Based on our records and written representations from reporting persons, we believe that all reports for directors and executive officers that were required to be filed were filed in 2017 on a timely basis.

**Table of Contents****EQUITY COMPENSATION PLAN INFORMATION**

The following table provides information about our common stock that may be issued as of December 31, 2017 under the 2005 Plan, which was our only existing equity compensation plans as of December 31, 2017.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)(1)</b>	<b>Weighted average exercise price (\$) of outstanding options, warrants and rights (b)(2)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by stockholders	5,286,762	\$ 17.72	3,050,592
Equity compensation plans not approved by stockholders			
<b>Total</b>	<b>5,286,762</b>	<b>\$ 17.72</b>	<b>3,050,592</b>

- (1) Represents shares subject to outstanding stock options and outstanding RSU awards granted under the 2005 Plan. In the case of performance-based RSUs, the target payout level of 100% of the RSUs awarded has been used, which represents the maximum payout level for all performance-based RSUs.
- (2) The weighted average exercise price is calculated based solely on the exercise prices of the outstanding options and does not reflect the shares that will be issued upon the vesting of outstanding awards of RSUs, which have no exercise price.

**POLICY AND PROCEDURES REGARDING TRANSACTIONS WITH RELATED PERSONS**

The Audit Committee of the Board adopted our Policy and Procedures regarding Transactions with Related Persons. In accordance with our written policy, the Audit Committee is responsible for the review, approval or ratification of all transactions with related persons that are required to be disclosed under the rules of the SEC. Under the policy, a related person includes any of our directors or executive officers, certain of our stockholders and any of their respective immediate family members. The policy applies to transactions in which MoneyGram is a participant, a related person will have a direct or indirect material interest, and the amount involved exceeds \$120,000. Under the policy, management of MoneyGram is responsible for disclosing to the Audit Committee all material information related to any covered transaction prior to entering into the transaction. The Audit Committee may use any process and review any information that it determines is reasonable under the circumstances in order to determine whether the covered transaction is fair and reasonable and on terms no less favorable to MoneyGram than could be obtained in a comparable arms-length transaction with an unrelated third party.

In addition, the Purchase Agreement provides that the Company is not permitted to engage in any Affiliated Transaction (as defined in the Purchase Agreement) with the Investors, or take certain other specified actions, without approval of the Independent Directors (as defined in the Purchase Agreement).

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### **TRANSACTIONS WITH RELATED PERSONS**

The transactions set forth below include transactions involving the Company and THL and/or the Goldman Sachs Group. THL and the Goldman Sachs Group are each beneficial owners of more than five percent of our voting securities (on a diluted basis assuming conversion of the D Stock). As discussed herein, THL has appointed Messrs. Lawry and Rao, who are an Advisory Partner and Managing Director, respectively, of Thomas H. Lee Partners, L.P., as its Board Representatives. Because of the positions they have with THL, Messrs. Lawry and Rao could have an indirect interest in the transactions with THL described herein.

#### **Equity Purchase Agreement**

To effect the 2008 Recapitalization, on March 17, 2008, we entered into the Purchase Agreement with the Investors, and on March 25, 2008, we completed the transactions contemplated by the Purchase Agreement. The Purchase Agreement contains customary public company representations and warranties by us to the Investors and customary representations and warranties from the Investors to us. We agreed in the Purchase Agreement to indemnify the Investors and certain parties related to the Investors from and against damages relating to the authorization, execution, delivery and performance of the Purchase Agreement and documents related to the Purchase Agreement.

Pursuant to the Purchase Agreement, the Investors have certain rights with respect to representation on and observation of the Board and committees of the Board, which resulted in a change to the composition of the majority of the Board. The Purchase Agreement provides that the Investors are entitled to appoint that number of directors as is proportionate to the Investors' common stock ownership, calculated on a fully-converted basis. For so long as the Investors are entitled to appoint Board Representatives, the Investors shall also be entitled to representation on all committees of the Board, with a minimum of one Board Representative serving on each committee of the Board, subject to certain exceptions and applicable laws and regulations. As discussed above, THL has designated Messrs. Lawry and Rao to serve as its Board Representatives. Effective May 2011, the Goldman Sachs Group no longer has the right to designate a director to the Board. For additional information, see Part Two Board of Directors and Governance Board Representation in this proxy statement.

#### **Equity Registration Rights Agreement**

The Company and the Investors also entered into a Registration Rights Agreement, referred to herein, as amended, as the Equity Registration Rights Agreement, on March 25, 2008, with respect to the Registrable Securities (as defined therein), which include the D Stock and the common stock owned by the Investors and their affiliates. As required by the terms of the Equity Registration Rights Agreement, we have filed with the SEC a shelf registration statement relating to the offer and sale of the Registrable Securities. We are obligated to keep the shelf registration statement continuously effective under the Securities Act, until the earlier of (1) the date as of which all of the Registrable Securities have been sold, (2) the date as of which each of the holders of the Registrable Securities is permitted to sell its Registrable Securities without registration pursuant to Rule 144 under the Securities Act, and (3) fifteen years. The holders of the Registrable Securities are also entitled to six demand registrations and unlimited piggyback registrations during the term of the Equity Registration Rights Agreement.

#### **West Interactive Corporation**

In July 2011, our wholly-owned subsidiary, MoneyGram Payment Systems, Inc., entered into an agreement with West Interactive Corporation, or West Interactive, a subsidiary of West Corporation, pursuant to which West Interactive has agreed to provide infrastructure services for our global customer contact centers. Affiliates of THL are the largest single owner of West Corporation's outstanding equity interests and have two representatives on West Corporation's board of directors. In 2017, the Company paid West Corporation approximately \$3.4 million in fees for services.

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**STOCKHOLDER PROPOSALS FOR THE 2018 ANNUAL MEETING**

In order for a stockholder proposal to be considered for inclusion in our proxy statement for the 2019 annual meeting of stockholders, the written proposal must be received at our principal executive offices at 2828 North Harwood Street, 15th Floor, Dallas, Texas 75201, Attention: Corporate Secretary, on or before December 3, 2018. The proposal must comply with SEC regulations regarding the inclusion of stockholder proposals in company-sponsored proxy materials.

In accordance with our Bylaws, in order for a stockholder proposal, including a director nomination, not included in our proxy statement to be properly brought before the 2019 annual meeting of stockholders, a stockholder's notice of the matter the stockholder wishes to present must comply with the requirements set forth in our Bylaws, and specifically, must be delivered to our principal executive offices at 2828 North Harwood Street, 15th Floor, Dallas, Texas 75201, Attention: Corporate Secretary, not less than 90 nor more than 120 days prior to the first anniversary of the date of this annual meeting of stockholders, unless the date of the 2019 annual meeting of stockholders is advanced by more than 30 days or delayed by more than 60 days from the first anniversary of the date of this annual meeting. As a result, any notice given by or on behalf of a stockholder pursuant to these provisions of our Bylaws (and not pursuant to the SEC's Rule 14a-8) must be received no earlier than January 2, 2019, and no later than February 1, 2019, unless the date of the 2019 annual meeting of stockholders is advanced by more than 30 days or delayed by more than 60 days from the first anniversary of the date of this annual meeting, in which case, any such notice must be received no later than the 10th day following the day on which public announcement of the date of such meeting is first made by us.

**2017 ANNUAL REPORT ON FORM 10-K**

**Our 2017 Annual Report on Form 10-K, including financial statements for the year ended December 31, 2017, is available on the Internet at [www.moneygram.com](http://www.moneygram.com). Stockholders who wish to obtain a paper copy of our 2017 Annual Report on Form 10-K may do so without charge by writing to MoneyGram International, Inc., 2828 North Harwood Street, 15th Floor, Dallas, Texas 75201, Attention: Investor Relations.**

**OTHER MATTERS**

We do not know of any other matters that may be presented for consideration at this annual meeting of stockholders. If any other business does properly come before the meeting, the persons named as proxies on the enclosed proxy card will vote as they deem in the best interests of MoneyGram.

Francis Aaron Henry

*General Counsel and*

*Corporate Secretary*

MoneyGram International, Inc.

2828 North Harwood Street

15th Floor

Dallas, Texas 75201

Telephone: (214) 999-7552

Dated: April 2, 2018





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***MONEYGRAM INTERNATIONAL, INC.***

***2828 NORTH HARWOOD STREET***

***15TH FLOOR***

***DALLAS, TX 75201***

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m. Eastern Time on May 1, 2018 (or 11:59 p.m. Eastern Time on April 29, 2018 for 401 (k) plan participants). Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m. Eastern Time on May 1, 2018 (or 11:59 p.m. Eastern Time on April 29, 2018 for 401 (k) plan participants). Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

E29280-P93695

KEEP THIS PORTION FOR YOUR  
RECORDS

DETACH AND RETURN THIS  
PORTION ONLY

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

**MONEYGRAM INTERNATIONAL, INC.**

**The Board of Directors  
recommends you vote FOR  
the following:**

1. Election of Directors

Nominees:	For	Against	Abstain
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1a. J. Coley Clark			
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1b. Victor W. Dahir			
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1c. Antonio O. Garza			
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1d. W. Alexander Holmes			
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1e. Seth W. Lawry			
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1g. Michael P. Rafferty			
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1h. Ganesh B. Rao			
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**The Board of Directors  
recommends you vote  
FOR proposal 2.**

For	Against	Abstain
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2. Ratification of the appointment of KPMG LLP as our independent registered public accounting firm for 2018.		
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1i. W. Bruce Turner

1j. Peggy Vaughan

**NOTE:** In their discretion, the proxies named on the reverse side of this card are authorized to vote upon such other business as may properly come before the meeting or any adjournment or postponement thereof.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX]    Date

Signature (Joint Owners)    Date

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**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**

The Notice and Proxy Statement and Form 10-K are available at [www.proxyvote.com](http://www.proxyvote.com).

E29281-P93695

**MONEYGRAM INTERNATIONAL, INC.**

**Annual Meeting of Stockholders**

**Wednesday, May 2, 2018**

**This proxy is solicited by our board of directors**

The stockholder(s) hereby appoint(s) W. Alexander Holmes and Francis Aaron Henry, or either of them, as proxies, each with the power to appoint his or her substitute, and hereby authorize(s) them to represent and to vote all of the shares of Common Stock of MONEYGRAM INTERNATIONAL, INC. that the stockholder(s) is/are entitled to vote at the Annual Meeting of Stockholders to be held at 8:00 A.M., Central Time, on May 2, 2018 at The Ritz-Carlton, located at 2121 McKinney Ave., Dallas, Texas 75201 and any adjournment or postponement thereof as designated on the reverse side of this proxy and in their discretion upon such other business that may properly come before the meeting and any adjournment or postponement thereof. Please note the admission requirements in the Proxy Statement if you plan to attend this year's meeting in person.

**Attention participants in the MoneyGram International, Inc. 401(k) Plan:** If you are a participant in MoneyGram's 401(k) plan, your proxy will serve as a voting instruction to the Independent Fiduciary, Fiduciary Counselors. The Independent Fiduciary shall instruct the Trustee, Wells Fargo Bank N.A. The Independent Fiduciary shall follow each participant's instructions unless it determines that doing so would be contrary to the Employee Retirement Income Security Act of 1974, as amended ( "ERISA" ). If no voting instructions are received from a participant in the 401(k) plan, the Trustee will vote those shares in accordance with the majority of shares voted in the 401(k) plan for which instructions were received, unless the Independent Fiduciary determines that doing so would be contrary to ERISA and instructs the Trustee to vote such shares differently. Your proxy must be received no later than 11:59 P.M., Eastern Time, on April 29, 2018 so that there is adequate time to tabulate the voting instructions. Your voting instructions will be kept confidential.

**This proxy, when properly executed, will be voted in the manner directed herein and as the proxies deem advisable on such other matters as may properly come before the meeting and any adjournment or postponement thereof. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations.**

**Continued and to be signed on reverse side**