

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

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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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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. 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. 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. 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. 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. 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 DIRECTOR	FEES EARNED OR PAID IN CASH	STOCK AWARDS	TOTAL
	(1)	(2)	
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):

	KPMG 2017	Deloitte 2017	KPMG 2016	Deloitte 2016
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	\$	\$	\$	\$
Total fees	\$ 3.7	\$ 1.1	\$ 2.8	\$ 1.5

- (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. 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%.

Name of Beneficial Owner	Shares of Common Stock Beneficially Owned(1)	Percent of Common Stock(2)
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

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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:

Name	Title and Position During 2017
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 officer’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 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 IS 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.

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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)