

MONEYGRAM INTERNATIONAL INC  
Form DEF 14A  
March 26, 2019  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**SCHEDULE 14A**  
**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**  
**(Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**MONEYGRAM INTERNATIONAL, INC.**

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

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

Payment of Filing Fee (Check the appropriate box):

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4 Date Filed:

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**LETTER FROM OUR CHAIRMAN AND CEO**

2828 North Harwood Street, 15th Floor

Dallas, Texas 75201

March 26, 2019

**Dear MoneyGram Stockholder:**

You are invited to attend our 2019 Annual Meeting of Stockholders, which will be held at 8:00 a.m. (Central Time) on Thursday, May 9, 2019 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.

I encourage you to read the Annual Report on Form 10-K for information about the Company's performance in 2018, which is available on the Company's Investor Relations website [at www.proxyvote.com](http://www.proxyvote.com).

We look forward to seeing you at the meeting.

Sincerely,

W. Alexander Holmes

*Chairman and Chief Executive Officer*



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**NOTICE OF 2019 ANNUAL MEETING OF STOCKHOLDERS**

2828 North Harwood Street, 15th Floor

Dallas, Texas 75201

**Date and Time**

Thursday, May 9, 2019

8:00 a.m. Central Time

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**Location**

The Ritz-Carlton

2121 McKinney Ave.

Dallas, Texas 75201

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**Record Date**

March 12, 2019

- 
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 2019; 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 12, 2019 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 12, 2019 (such as an account statement from your broker showing your stock ownership as of March 12, 2019). 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 12, 2019, 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 12, 2019. If you are a proxy holder for a stockholder who owned shares of MoneyGram common stock in street name as of March 12, 2019, 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.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON THURSDAY, MAY 9, 2019**

The Notice of Annual Meeting, proxy statement and 2018 Annual Report on Form 10-K are available at [www.proxyvote.com](http://www.proxyvote.com).

By Order of the Board of Directors

Francis Aaron Henry

*General Counsel and*

*Corporate Secretary*

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**PROXY STATEMENT**

**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 Thursday, May 9, 2019, 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 March 26, 2019.

**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 12, 2019, 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, 56,314,769 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 42.2% of our common stock. As of the record date, the Goldman Sachs Group would own approximately 13.7% of our common stock on a diluted basis upon conversion of their D Stock, and THL would own approximately 36.4% 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.

### **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;

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

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

attend the meeting and give notice to the inspector of elections 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

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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, Equiniti Trust Company Shareowner Services, you are the stockholder of record of those shares. In such case, the Notice of Annual Meeting, 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, 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 12, 2019 (such as an account statement from your broker showing your stock ownership as of March 12, 2019). 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 12, 2019, 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 12, 2019. If you are a proxy holder for a stockholder who owned shares of MoneyGram common stock in street name as of March 12, 2019, 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 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

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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 2019. 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.

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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.

*Independent Tabulator.* We have appointed Broadridge Financial Solutions Inc. (Broadridge) as our independent tabulator to receive and tabulate all votes cast at the annual meeting. Broadridge will determine whether a quorum is present.

*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 42.2% 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 2019 (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 42.2% of the voting power of our common stock, **FOR** the ratification of appointment of our independent registered public accounting firm for 2019 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) 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

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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.

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On March 25, 2008, MoneyGram completed a recapitalization transaction (the 2008 Recapitalization), pursuant to the terms of an amended and restated purchase agreement (the 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 3,520,358 additional shares of our common stock and \$140.8 million in cash, and (iv) the Goldman Sachs Group received approximately 15,503 additional shares of D Stock (equivalent to 1,937,875 shares of our common stock) and \$77.5 million in 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 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 2018, 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 2018 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 Certain Relationships and Related Transactions Transactions with Related Persons in this proxy statement. See Beneficial Ownership of Common Stock Principal Stockowners for more information regarding the Investors' equity interest in the Company.

**Board Structure and Composition**

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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 made up 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

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### **6 Board of Directors and Governance**

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 2019 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 composed of at least a majority of independent directors or our Human Resources and Nominating Committee to be composed entirely of independent directors. The Nasdaq listing standards do, however, require our Audit Committee to be composed entirely of independent directors. The Board has determined that the following directors or 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 sixteen meetings during 2018. 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 2018 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 2018, the Board held five executive sessions of the non-management directors, which included all directors except 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 2018, the Board held five 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

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year, management responsible for managing credit, liquidity, market, financial and key operational risks, including legal, regulatory compliance, fraud, information technology and security (including cybersecurity risks), 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, legal settlements and approves the annual budget. Key finance, accounting and treasury management meet directly with the Board to provide an update on our financial results.

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 *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 composed only of independent directors. In addition, we have established a Compliance and Ethics Committee composed 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. 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, in accordance with the Nasdaq listing standards, that all members of the Audit Committee are sufficiently proficient in reading and understanding the Company's financial statements to serve on the Audit Committee and that Messrs. Dahir and Rafferty each qualify as an audit committee financial expert under the rules of the SEC and meet the financial sophistication standard 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 2018.

The Audit Committee held six meetings in 2018. The Board has adopted a separate written charter for the Audit Committee, which is available at [ir.moneygram.com](http://ir.moneygram.com).

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 Board of Directors and Governance Board's Role in Risk Oversight in this proxy statement.

***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.

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### **8 Board of Directors and Governance**

The HRNC held seven meetings in 2018. The Board has adopted a separate written charter for the HRNC, which is available at [ir.moneygram.com](http://ir.moneygram.com).

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 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 equity awards under our stock incentive plan. The HRNC 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 2018, the HRNC utilized the services of Lyons, Benenson & Company Inc., or LB&Co., as its compensation consultant. In 2018, LB&Co. assisted the HRNC with an evaluation of the Company's peer group and executive and non-employee director compensation matters. For additional information regarding our compensation consultant, see "Executive Compensation 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 and the Stipulated Order for Compensatory Relief and Modified Order for Permanent Injunction (the "Consent Order") with the Federal Trade Commission ("FTC").

#### **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., 2828 North Harwood Street, 15th Floor, Dallas, Texas 75201, Attention: Corporate Secretary. Upon receipt, the Corporate Secretary will review such correspondence and, in his discretion, forward such correspondence to the Board for its consideration. Complaints and concerns regarding MoneyGram may also be reported anonymously and confidentially via MoneyGram's Ethics Line at 800-494-3554. Our Policy on Communications with the Board is contained in our Corporate Governance Guidelines, which are posted at [ir.moneygram.com](http://ir.moneygram.com).

## **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

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**Board of Directors and Governance 9**

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 2020 annual meeting of stockholders, see the section entitled **Stockholder Proposals for the 2020 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 **Board of Directors and Governance Board Representation** for more information regarding the Investors' rights with respect to representation on the Board.

**Compensation Committee Interlocks and Insider Participation**

The directors that served as members of the HRNC during the year ended December 31, 2018 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, 2018, 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.

**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, committee matters, director qualifications and selection process, director compensation, director independence standards, director retirement age, CEO evaluation, management succession, process for stockholders or other interested parties to communicate with directors and annual Board evaluations. The Guidelines are available at [ir.moneygram.com](http://ir.moneygram.com).

*Code of Conduct.* All of our directors and employees, including our principal executive officer, principal financial officer and principal accounting officer, or persons performing similar functions, are subject to our Code of Conduct and the provisions regarding corporate values and ethical business conduct contained in our Corporate Governance Guidelines. These documents are available at [ir.moneygram.com](http://ir.moneygram.com). 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 maintaining 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 composed 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 composed 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.

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*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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**PROPOSALS TO BE VOTED ON AT THE 2019 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.

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**Table of Contents**12 **Proposals to be Voted on at the 2019 Annual Meeting****PROPOSALS TO BE VOTED ON AT THE 2019 ANNUAL MEETING****PROPOSAL 1: ELECTION OF DIRECTORS****Director Nominees Qualifications and Background**

The following individuals are nominated as directors for terms expiring at the 2020 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 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.

**W. Alexander Holmes****Age:** 44**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. Mr. Holmes has been a member of the Board since 2015. 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.

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**Table of Contents****Proposals to be Voted on at the 2019 Annual Meeting 13****J. Coley Clark****Age:** 73**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****Age:** 73**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 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**

**Age:** 59

**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.

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**Seth W. Lawry**

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.

**Age:** 54

**Director since:** 2008

**Director Criteria:**

Mr. Lawry is one of the Board Representatives designated by THL, as discussed above in 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.

**Michael P. Rafferty**

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.

**Age:** 64

**Director since:** 2016

**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**

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.

**Age:** 42

**Director since:** 2008

**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 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.

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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****Age:** 65**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 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 2018, 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 all of 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 2018, 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.

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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.

The following table sets forth information on the compensation of MoneyGram's non-employee directors for the fiscal year ended December 31, 2018. Mr. Holmes was compensated only in his capacity as an executive officer of the Company, and did not receive any additional compensation for his service as a director. The total compensation provided to Mr. Holmes for service during 2018 is set forth in the Summary Compensation Table.

NON-EMPLOYEE DIRECTOR	FEES EARNED		STOCK	
	OR PAID		AWARDS	
	IN CASH	(1)	TOTAL	
J. Coley Clark	\$ 120,000	\$ 125,002	\$ 245,002	
Victor W. Dahir	\$ 120,000	\$ 125,002	\$ 245,002	
Antonio O. Garza	\$ 120,000	\$ 125,002	\$ 245,002	
Seth W. Lawry(2)				
Michael P. Rafferty	\$ 100,000	\$ 125,002	\$ 225,002	
Ganesh B. Rao(2)				
W. Bruce Turner	\$ 110,000	\$ 125,002	\$ 235,002	
Peggy Vaughan	\$ 100,000	\$ 125,002	\$ 225,002	

(1) In 2018, each of our non-employee directors (other than the Board Representatives) received an equity grant of 14,603 RSUs, which 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 were made on May 2, 2018 and will vest in full on the first anniversary of the date of grant. Ms. Vaughan elected to defer settlement of these RSUs 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 12 *Stock-Based Compensation* of the Notes to the Consolidated Financial Statements in our 2018 Annual Report on Form 10-K. As of December 31, 2018, each of our non-employee directors (other than the Board Representatives) held 14,603 outstanding, unvested RSUs.

(2) THL has 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 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. As of the date of this proxy statement, all directors have met, or are on track to meet, their ownership guidelines.

**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 42.2% 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 2019**

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, 2019. KPMG audited the Company's

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books and accounts since 2016. 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 KPMG for fiscal years 2018 and 2017 and Deloitte for fiscal year 2017, including related expenses, are as follows (in millions):

	<b>KPMG 2018</b>	<b>KPMG 2017</b>	<b>Deloitte 2017</b>
Audit fees(1)	\$ 3.4	\$ 3.3	\$ 0.1
Audit-related fees(2)	\$ 0.5	\$ 0.4	\$
Tax fees(3)	\$	\$	\$ 1.0
All other fees	\$	\$	\$
Total fees	\$ 3.9		