

# **MONEYGRAM INTERNATIONAL, INC.**

## **Corporate Governance Guidelines**

**As of February 25, 2014**

### **1. Corporate Values and Code of Conduct**

MoneyGram International, Inc. (the “Corporation”) is a purpose driven and values based organization. All employees and directors are expected to abide by our Code of Conduct to insure that our business is conducted in a consistently legal and ethical manner. The Corporation’s vision is guided by its commitment to deliver shareholder value by keeping its customers – consumers and business partners – at the center of all MoneyGram does. To accomplish these goals, MoneyGram conducts its business with an unwavering commitment to impeccable ethics and compliance. These standards form the foundation of a comprehensive process and system of beliefs that contribute to good business conduct and integrity in our business relationships at all levels of the Corporation.

### **2. Director Qualifications**

The Human Resources and Nominating Committee will select and recommend to the Board nominees for directorship in accordance with the policies and principles in its Charter and these Corporate Governance Guidelines. The invitation to join the Board should be extended by the Chairman of the Human Resources and Nominating Committee and the Chairman of the Board on behalf of the Board.

A candidate for election to the Board must possess the ability to apply good business judgment and have demonstrated the highest level of integrity. A candidate to serve as an independent director must be in a position to properly exercise his or her duties of loyalty and care in the representation of the interests of stockholders and must be able to represent all of the stockholders fairly and equally without advancing any particular stockholder or other constituency of the Corporation. Candidates should exhibit proven leadership capabilities, and experience in business, finance, law, education, technology or government. Candidates should have an understanding regarding major issues facing public companies similar in scope to the Corporation. Experience in payment or financial services would be a plus. Candidates must have, and be prepared to devote, adequate time to the Board and its Committees. The Human Resources and Nominating Committee will seek to promote through the nominations process an appropriate diversity on the Board of experience (including international experience), expertise, perspective, age, gender, and ethnicity.

The Human Resources and Nominating Committee will assess each candidate’s qualifications in the context of the particular needs of the Board at the time. Candidates may be nominated based on vacancies on a particular committee or committees or in order to add specific experience or expertise to the Board, in which case additional qualifications may be established.

The Board will have at least three directors who meet the criteria for independence under the listing standards of the Nasdaq Stock Market (“Nasdaq”). To be considered independent

under these listing standards, the Board will determine that an independent director does not have a relationship which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director (other than in his or her capacity as a director).

All directors who are members of the Audit Committee must satisfy the financial literacy requirements required for service on the Audit Committee. At least one director must qualify as an audit committee financial expert under the rules of the Securities and Exchange Commission.

### **3. Submissions Regarding Nominees for Election at Annual Meetings.**

A stockholder making a nominating recommendation for the election of a director at an annual meeting of stockholders must ensure that it is received by the Corporation as provided in its Bylaws. Subject to such provisions in the Bylaws, a stockholder's notice must be delivered to the Secretary at the principal executive offices of the Corporation not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting. The notice must include all the information required to be disclosed pursuant to the Corporation's Bylaws.

### **4. Majority Voting for Directors Policy**

Section 2.8 of the Corporation's Bylaws provides that, in the case of an uncontested election of directors, each director nominee receiving a majority of the voting power of the then outstanding Voting Stock (as defined in the Corporation's Bylaws), voting together as a single class, voted with respect to the director, will be elected as a director (i.e., the amount of voting power voted "for" a director must exceed the voting power voted "against" that director). Any nominee who fails to receive the requisite majority vote at an annual or special meeting held for the purpose of electing directors where the election is uncontested must tender his or her resignation to the Board. The Human Resources and Nominating Committee will evaluate any such resignation in light of the best interests of the Corporation and its stockholders in determining whether to recommend that the Board accept or reject the resignation. The Human Resources and Nominating Committee may consider any factors it deems relevant including the director's qualifications, past and expected future contributions to the Corporation, the overall composition of the Board and whether the tendered resignation would cause the Corporation to fail to meet any applicable rule or regulation (including Nasdaq listing requirements and federal securities laws). The Board will act on the Human Resources and Nominating Committee's recommendation within 90 days from the date of the certification of the election results.

### **5. Stockholder Communications with the Board.**

Stockholders may communicate with the non-management directors as a group, Committees of the Board, or individual directors, in accordance with the policy and procedures set forth on Annex A to these Guidelines.

### **6. Board Member Changes in Primary Role.**

It is the sense of the Board that individual directors who change the primary, professional role they held when they were elected to the Board should volunteer to resign from the Board. It is not the sense of the Board that in every instance the directors who retire or change from the position they held when they came on the Board should necessarily leave the Board. The Board

should, however, have an opportunity, through the Human Resources and Nominating Committee, to review the continued appropriateness of such directors' Board membership under those circumstances.

#### **7. Number of Directorships.**

The Board does not believe it should establish arbitrary limits on the number of boards on which a director may serve. Directors should evaluate carefully the existing demands of their time before agreeing to serve on additional public company boards, and should advise the Chairman of the Board and the Chairperson of the Human Resources and Nominating Committee in advance of accepting an invitation to serve on another public company board.

#### **8. Term Limits.**

The Board does not believe it should establish term limits. While term limits could help insure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Corporation and its operations and, therefore, provide an increasing contribution to the Board as a whole. However, to ensure that the Board remains composed of experienced and effective members, the Human Resources and Nominating Committee will evaluate the qualifications of each incumbent director before recommending the nomination of that director for an additional term.

#### **9. Director Responsibilities**

The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be the best interests of the Corporation and its stockholders. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of the Corporation's senior executives and its outside advisors and auditors. The directors shall also be entitled to (1) have the Corporation purchase reasonable directors' and officers' liability insurance on their behalf, (2) the benefits of indemnification to the fullest extent permitted by law, the Corporation's charter and Bylaws and any indemnification agreements that the Corporation may enter into with directors, and (3) exculpation as provided by state law and the Corporation's charter.

Directors are expected to attend the annual meeting of stockholders, Board meetings and meetings of committees on which they serve, and to spend the time needed, and meet as frequently as necessary, to properly discharge their responsibilities. Information and data that are important to a director's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the directors before the meeting, and directors should review these materials in advance of the meeting.

#### **10. Separation of Offices of Chairman and Chief Executive Officer**

The Board has no policy with respect to the separation of the offices of Chairman and the Chief Executive Officer. The Board believes that consideration of this topic is part of the succession planning process and that it is in the best interests of the Corporation for the Board to

make a determination of whether these positions should be separated or combined, from time to time, in its business judgment after considering relevant circumstances.

#### **11. Board Meeting Agendas.**

The Chairman will establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting.

#### **12. Meetings of Non-Management and Independent Directors.**

The non-management directors will meet regularly in executive session without management present. The independent directors will meet in executive session at least once annually.

#### **13. Communications with the Corporation's Constituencies.**

The Board believes that management speaks for the Corporation. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Corporation. It is expected that Board members would do this with the knowledge of management and, absent unusual circumstances or as contemplated by the committee charters, only at the request of management.

#### **14. Board Committees**

The Board may designate such committees of the Board as it deems necessary or appropriate. The Board will have at all times two standing committees: an Audit Committee and a Human Resources and Nominating Committee. Where required, the members of each committee will meet the independence requirements of Nasdaq and applicable law. Committee members will be appointed by the Board upon recommendation of the Human Resources and Nominating Committee, taking into consideration the desires of individual directors. Although the Board may consider rotating committee members periodically, the Board does not feel that rotation should be mandated as a policy.

Each of the standing committees will have its own charter. The charters will set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The charters will also provide that each committee will annually evaluate its performance. As determined by the Board, any other designated Committee may have its own charter, based upon the objectives and nature of any such Committee.

The Chairperson of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The Chairperson of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. At the beginning of the year, each committee will establish a schedule of agenda

subjects to be discussed during the year (to the degree these can be foreseen). The schedule for each committee will be furnished to all directors.

The Board and each committee have the power to hire independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Corporation in advance.

#### **15. Director Access to Officers and Employees**

Directors have full and free access to officers and employees of the Corporation. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Corporation, or to the authority of the Chairman or Chief Executive Officer. The Board may require regular attendance at each Board meeting of senior officers of the Corporation. If the Chairman or Chief Executive Officer wishes to have additional Corporation personnel attend on a regular basis, this suggestion should be brought to the Board for approval.

#### **16. Director Compensation**

The Human Resources and Nominating Committee will conduct a periodic review of director compensation. The form and amount of director compensation will be determined by the Board upon the recommendation of the Human Resources and Nominating Committee in accordance with the policies and principles set forth in its charter. The Human Resources and Nominating Committee will consider that directors' independence may be jeopardized if director compensation and perquisites exceed customary levels, if the Corporation makes substantial charitable contributions to organizations with which a director is affiliated, or if the Corporation enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated.

#### **17. Director Orientation and Continuing Education**

The Corporation will provide orientation opportunities for new directors, which will occur within a reasonable time following the time that a director joins the Board, in order to familiarize each new director with the Corporation's business, strategic plans, significant financial, accounting and risk management issues, and other significant issues affecting the Corporation. The Corporation will also periodically provide materials or briefing sessions for, and make seminars available to, all directors on subjects that would assist them in discharging their duties.

#### **18. Chairman and CEO Evaluation and Management Succession**

The Human Resources and Nominating Committee will conduct an annual review of the Chairman's and Chief Executive Officer's performance, as set forth in its charter to ensure that the Chairman and Chief Executive Officer is providing the best leadership for the Corporation in the long-term and short-term. The Human Resources and Nominating Committee will report the results of its review to the Board of Directors. The Board will evaluate the Corporation's plans with respect to succession planning, and will evaluate potential successors to the Chairman and Chief Executive Officer. The Chairman and Chief Executive Officer should at all times make

available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

#### **19. Annual Review of Board Composition and Performance Evaluation**

The Human Resources and Nominating Committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics of new Board members as well as the composition of the Board as a whole and its Committees. This assessment will include members' qualification as independent, as well as consideration of the above qualifications in the context of the needs of the Board.

The Board of Directors will conduct an annual self-evaluation to determine whether it and its committees and its members are functioning effectively. The Human Resources and Nominating Committee will receive comments from all directors and report annually to the Board with an assessment of the Board's performance. This will be discussed with the full Board following the end of each fiscal year. The assessment will focus on the Board's contribution to the Corporation and specifically focus on areas in which the Board or management believes that the Board could improve.

**MONEYGRAM INTERNATIONAL, INC.**

**Policy on**

**Communications with the Board of Directors**

**Adopted November 30, 2010**

Stockholders or other interested parties may communicate with the non-management directors as a group, Committees of the Board or individual directors by writing to the Company's Secretary at the Company's headquarters address, 2828 North Harwood Street, 15<sup>th</sup> Floor, Dallas, Texas 75201. Upon receipt, the Company's Secretary will forward all such correspondence, as appropriate. Complaints and concerns regarding the Company, including its financial statements, accounting and auditing matters and internal accounting controls, may also be reported anonymously and confidentially via the Company's Ethics Line at 800-494-3554.