

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Form 10-Q**

(Mark One)

- Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the Quarterly Period Ended March 31, 2021.**
- Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from to .**

Commission File Number: 001-31950



**MONEYGRAM INTERNATIONAL, INC.**

*(Exact name of registrant as specified in its charter)*

**Delaware**

*(State or other jurisdiction of incorporation or organization)*

**2828 N. Harwood St., 15th Floor  
Dallas, Texas**

*(Address of principal executive offices)*

**16-1690064**

*(I.R.S. Employer Identification No.)*

**75201**  
*(Zip Code)*

(214) 999-7552

**Registrant's telephone number, including area code**

**Not applicable**

**(Former name, former address and former fiscal year, if changed since last report)**

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common stock, \$0.01 par value	MGI	The NASDAQ Stock Market LLC
Preferred Stock Purchase Rights	N/A	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit files). Yes  No

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of May 5, 2021, 79,674,091 shares of common stock, \$0.01 par value, were outstanding.

**TABLE OF CONTENTS**  
**PART I. FINANCIAL INFORMATION**

	<b>Page</b>
<a href="#">Item 1. Financial Statements (Unaudited)</a>	
<a href="#">Condensed Consolidated Balance Sheets</a>	<a href="#">1</a>
<a href="#">Condensed Consolidated Statements of Operations</a>	<a href="#">2</a>
<a href="#">Condensed Consolidated Statements of Comprehensive Loss</a>	<a href="#">3</a>
<a href="#">Condensed Consolidated Statements of Cash Flows</a>	<a href="#">4</a>
<a href="#">Condensed Consolidated Statement of Stockholders' Deficit</a>	<a href="#">5</a>
<a href="#">Notes to the Unaudited Condensed Consolidated Financial Statements</a>	<a href="#">6</a>
<a href="#">Note 1 — Description of the Business and Basis of Presentation</a>	<a href="#">6</a>
<a href="#">Note 2 — Reorganization Costs</a>	<a href="#">8</a>
<a href="#">Note 3 — Settlement Assets and Payment Service Obligations</a>	<a href="#">9</a>
<a href="#">Note 4 — Fair Value Measurement</a>	<a href="#">9</a>
<a href="#">Note 5 — Investment Portfolio</a>	<a href="#">11</a>
<a href="#">Note 6 — Derivative Financial Instruments</a>	<a href="#">12</a>
<a href="#">Note 7 — Debt</a>	<a href="#">13</a>
<a href="#">Note 8 — Pension and Other Benefits</a>	<a href="#">14</a>
<a href="#">Note 9 — Stockholders' Deficit</a>	<a href="#">14</a>
<a href="#">Note 10 — Stock-Based Compensation</a>	<a href="#">15</a>
<a href="#">Note 11 — Income Taxes</a>	<a href="#">16</a>
<a href="#">Note 12 — Commitments and Contingencies</a>	<a href="#">16</a>
<a href="#">Note 13 — Loss per Common Share</a>	<a href="#">20</a>
<a href="#">Note 14 — Segment Information</a>	<a href="#">20</a>
<a href="#">Note 15 — Revenue Recognition</a>	<a href="#">21</a>
<a href="#">Note 16 — Related Parties</a>	<a href="#">22</a>
<a href="#">Note 17 — Subsequent Events</a>	<a href="#">22</a>
<a href="#">Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	<a href="#">23</a>
<a href="#">Item 3. Quantitative and Qualitative Disclosures About Market Risk</a>	<a href="#">34</a>
<a href="#">Item 4. Controls and Procedures</a>	<a href="#">34</a>

**PART II. OTHER INFORMATION**

<a href="#">Item 1. Legal Proceedings</a>	<a href="#">35</a>
<a href="#">Item 1A. Risk Factors</a>	<a href="#">35</a>
<a href="#">Item 6. Exhibits</a>	<a href="#">36</a>
 <a href="#">Signatures</a>	 <a href="#">37</a>

---

## GLOSSARY OF TERMS

This glossary highlights some of the terms used in the Quarterly Report on Form 10-Q and is not a complete list of all the defined terms used herein.

<b>Abbreviation</b>	<b>Term</b>
Amended DPA	Amendment to and Extension of Deferred Prosecution Agreement
API	Application Programming Interface
CID	Civil Investigative Demand
Consent Order	Stipulated Order for Compensatory Relief and Modified Order for Permanent Injunction
Corridor	With regard to a money transfer transaction, the originating "send" location and the designated "receive" location are referred to as a corridor
COVID-19	Coronavirus disease
Digital Channel	Transactions in which either the send transaction, receive transaction or both occur through one of the Company's digital properties such as moneygram.com, the native mobile application or virtual agents or end in an account deposit, wallet or card such as the Visa Direct program
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
DPA	Deferred Prosecution Agreement
FCPA	Foreign Corrupt Practices Act
Fitch	Fitch Ratings, Inc.
FTC	Federal Trade Commission
IRS	Internal Revenue Service
LIBOR	London Interbank Offered Rate
MDPA	U.S. Attorney's Office for the Middle District of Pennsylvania
Moody's	Moody's Investor Service
Non-U.S. dollar	The impact of non-U.S. dollar exchange rate fluctuations on the Company's financial results is typically calculated as the difference between current period activity translated using the current period's exchange rates and the comparable prior-year period's exchange rates; this method is used to calculate the impact of changes in non-U.S. dollar exchange rates on revenues, commissions and other operating expenses for all countries where the functional currency is not the U.S. dollar.
NYDFS	New York Department of Financial Services
ODL	On Demand Liquidity
OFAC	U.S. Treasury Department's Office of Foreign Assets Control
Pension	The Company's Pension Plan and SERPs
Pension Plan	Defined benefit pension plan
Postretirement Benefits	Defined benefit postretirement plan
P2P	Peer-to-peer
Receiver	Person receiving a money transfer transaction
ROE	Report of Examination
ROU	Right-of-use
SERPs	Supplemental executive retirement plans
S&P	Standard & Poor's
SEC	U.S. Securities and Exchange Commission
SPA	Securities Purchase Agreement
U.S. DOJ	U.S. Department of Justice, Criminal Division, Money Laundering and Asset Recovery Section
U.S. GAAP	Accounting principles generally accepted in the United States of America
Retail Channel	Transactions in which both the send transaction and receive transaction occur at one of the Company's physical agent locations

## CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q and certain documents incorporated by reference herein may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Reform Act"), including statements with respect to, among other things, the financial condition, results of operations, plans, objectives, future performance and business of MoneyGram and its subsidiaries. Statements preceded by, followed by or that include words such as "believes," "estimates," "expects," "projects," "plans," "anticipates," "intends," "continues," "will," "should," "could," "may," "might," "would," "goals," "predicts," "potential," "target," "forecast," "outlook," "currently," and other similar expressions are intended to identify some of the forward-looking statements within the meaning of the Reform Act and are included, along with this statement, for purposes of complying with the safe harbor provisions of the Reform Act. These forward-looking statements are based on management's current expectations, beliefs and assumptions as of the date of this report, are not historical facts or guarantees of future performance, and are subject to certain risks, uncertainties and changes in circumstances that are difficult to predict and many of which are outside of our control due to a number of factors. These factors include, but are not limited to:

- the impact of the COVID-19 pandemic or future pandemics on our business, including the potential for work stoppages, lockdowns, shelter-in-place or restricted movement guidelines, service delays and lower consumer and commercial activity;
  - our ability to compete effectively;
  - our ability to maintain key agent or biller relationships, or a reduction in business or transaction volume from these relationships, including with our largest agent, Walmart, through its introduction of additional competing white-label money transfer products or otherwise;
  - our ability to continue to grow our Digital Channel, including through our direct-to-consumer digital business, MoneyGram Online;
  - a security or privacy breach in systems, networks or databases on which we rely;
  - current and proposed regulations addressing consumer privacy and data use and security;
  - our ability to manage fraud risks from consumers or agents;
  - our ability to extend or refinance the First and Second Lien Credit Facilities, and refinance such facilities, or comply with the terms thereof;
  - the ability of us and our agents to comply with U.S. and international law and regulations;
  - litigation and regulatory proceedings involving us or our agents and other commercial relationships, which could result in material settlements, fines or penalties, revocation of required licenses or registrations, termination of contracts, other administrative actions or lawsuits and negative publicity;
  - disruptions to our computer systems and data centers and our ability to effectively operate and adapt our technology;
  - the ability of us and our agents to maintain adequate banking relationships;
  - our ability to successfully develop and timely introduce new and enhanced products and services and our investments in new products, services or infrastructure changes;
  - our high degree of leverage and substantial debt service obligations, significant debt covenant requirements and our ability to comply with such requirements;
  - our below investment-grade credit rating;
  - our ability to maintain sufficient capital;
  - weakness in economic conditions, in both the U.S. and global markets;
  - the financial health of certain European countries or the secession of a country from the European Union;
  - a significant change, material slow down or complete disruption of international migration patterns;
  - our ability to manage risks associated with our international sales and operations, including exchange rates among currencies;
  - our offering of money transfer services through agents in regions that are politically volatile or, in a limited number of cases, that may be subject to certain OFAC restrictions;
  - major bank failure or sustained financial market illiquidity, or illiquidity at our clearing, cash management and custodial financial institutions;
-

- changes in tax laws or unfavorable outcomes of tax positions we take, or a failure by us to establish adequate reserves for tax events;
- our ability to manage credit risks from our agents and official check financial institution customers;
- our ability to adequately protect our brand and intellectual property rights and to avoid infringing on the rights of others;
- our ability to manage risks related to the operation of retail locations and the acquisition or start-up of businesses;
- any restructuring actions and cost reduction initiatives that we undertake may not deliver the expected results and these actions may adversely affect our business;
- our capital structure; and
- the risks and uncertainties described in the *Risk Factors* and *Management's Discussion and Analysis of Financial Condition and Results of Operations* sections of our 2020 Form 10-K, as well as any additional risk factors that may be described in our other filings with the SEC from time to time.

These forward-looking statements speak only as of the date they are made, and MoneyGram undertakes no obligation to publicly update or revise any forward-looking statements for any reason, whether as a result of new information, future events or otherwise, except as required by federal securities law.

---

## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

**MONEYGRAM INTERNATIONAL, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**UNAUDITED**

<i>(Amounts in millions, except share data)</i>	March 31, 2021	December 31, 2020
<b>ASSETS</b>		
Cash and cash equivalents	\$ 152.8	\$ 196.1
Settlement assets	3,667.0	3,702.9
Property and equipment, net	142.7	148.1
Goodwill	442.2	442.2
Right-of-use assets	54.5	55.1
Other assets	128.4	129.7
Total assets	<u>\$ 4,587.6</u>	<u>\$ 4,674.1</u>
<b>LIABILITIES</b>		
Payment service obligations	\$ 3,667.0	\$ 3,702.9
Debt, net	858.8	857.8
Pension and other postretirement benefits	75.0	74.5
Lease liabilities	58.0	59.1
Accounts payable and other liabilities	188.0	216.8
Total liabilities	<u>4,846.8</u>	<u>4,911.1</u>
<b>COMMITMENTS AND CONTINGENCIES (NOTE 12)</b>		
<b>STOCKHOLDERS' DEFICIT</b>		
Common stock, \$0.01 par value, 162,500,000 shares authorized, 80,273,419 and 72,530,770 shares issued, 79,741,398 and 72,517,539 shares outstanding at March 31, 2021 and December 31, 2020, respectively	0.8	0.7
Additional paid-in capital	1,297.8	1,296.0
Retained loss	(1,490.8)	(1,475.3)
Accumulated other comprehensive loss	(63.4)	(58.4)
Treasury stock: 532,021 and 13,231 shares at March 31, 2021 and December 31, 2020, respectively	(3.6)	—
Total stockholders' deficit	<u>(259.2)</u>	<u>(237.0)</u>
Total liabilities and stockholders' deficit	<u>\$ 4,587.6</u>	<u>\$ 4,674.1</u>

See Notes to the Unaudited Condensed Consolidated Financial Statements

**MONEYGRAM INTERNATIONAL, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**UNAUDITED**

<i>(Amounts in millions, except per share data)</i>	<b>Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>REVENUE</b>		
Fee and other revenue	\$ 308.1	\$ 280.8
Investment revenue	2.0	10.1
Total revenue	310.1	290.9
<b>COST OF REVENUE</b>		
Commissions and other fee expense	149.9	143.2
Investment commissions expense	0.2	3.0
Direct transaction expense	15.2	8.2
Total cost of revenue	165.3	154.4
<b>GROSS PROFIT</b>	144.8	136.5
<b>OPERATING EXPENSES</b>		
Compensation and benefits	62.2	53.4
Transaction and operations support	43.4	38.0
Occupancy, equipment and supplies	15.5	14.9
Depreciation and amortization	15.3	17.1
Total operating expenses	136.4	123.4
<b>OPERATING INCOME</b>	8.4	13.1
Other expenses		
Interest expense	22.3	23.8
Other non-operating expense	1.0	1.1
Total other expenses	23.3	24.9
Loss before income taxes	(14.9)	(11.8)
Income tax expense	0.5	9.7
<b>NET LOSS</b>	<b>\$ (15.4)</b>	<b>\$ (21.5)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.19)</b>	<b>\$ (0.28)</b>
<b>Basic and diluted weighted-average outstanding common shares and equivalents used in computing loss per common share</b>	<b>79.6</b>	<b>77.4</b>

See Notes to the Unaudited Condensed Consolidated Financial Statements

**MONEYGRAM INTERNATIONAL, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
**UNAUDITED**

<i>(Amounts in millions)</i>	<b>Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>NET LOSS</b>	\$ (15.4)	\$ (21.5)
<b>OTHER COMPREHENSIVE LOSS</b>		
Net change in unrealized holding loss on available-for-sale securities arising during the period, net of tax expense of \$0.1 and \$0.0 for the three months ended March 31, 2021 and 2020, respectively	0.3	—
Net change in pension liability due to amortization of prior service credit and net actuarial loss, net of tax benefit of \$0.1 and \$0.1 for the three months ended March 31, 2021 and 2020, respectively	0.5	0.4
Unrealized non-U.S. dollar translation adjustments, net of tax expense of \$0.0 and \$0.0 for the three months ended March 31, 2021 and 2020, respectively	(5.8)	(7.2)
Other comprehensive loss	(5.0)	(6.8)
<b>COMPREHENSIVE LOSS</b>	\$ (20.4)	\$ (28.3)

See Notes to the Unaudited Condensed Consolidated Financial Statements

**MONEYGRAM INTERNATIONAL, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**UNAUDITED**

<i>(Amounts in millions)</i>	<b>Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (15.4)	\$ (21.5)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	15.3	17.1
Signing bonus amortization	14.3	12.5
Change in right-of-use assets	3.6	3.0
Amortization of debt discount and debt issuance costs	2.9	2.9
Non-cash compensation and pension expense	2.8	3.1
Signing bonus payments	(13.0)	(25.0)
Change in other assets	(12.9)	(24.2)
Change in lease liabilities	(3.9)	(4.4)
Change in accounts payable and other liabilities	(20.7)	10.1
Other non-cash items, net	0.1	—
Net cash used in operating activities	(26.9)	(26.4)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments for capital expenditures	(11.2)	(10.1)
Net cash used in investing activities	(11.2)	(10.1)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments on debt	(1.6)	(1.6)
Proceeds from revolving credit facility	—	23.0
Payments to tax authorities for stock-based compensation	(3.6)	(0.7)
Net cash (used in) provided by financing activities	(5.2)	20.7
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(43.3)</b>	<b>(15.8)</b>
<b>CASH AND CASH EQUIVALENTS—Beginning of year</b>	<b>196.1</b>	<b>146.8</b>
<b>CASH AND CASH EQUIVALENTS—End of period</b>	<b>\$ 152.8</b>	<b>\$ 131.0</b>
<b>Supplemental cash flow information:</b>		
Cash payments for interest	\$ 11.9	\$ 17.6

See Notes to the Unaudited Condensed Consolidated Financial Statements

**MONEYGRAM INTERNATIONAL, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT**  
**UNAUDITED**

<i>(Amounts in millions)</i>	Common Stock	Additional Paid-In Capital	Retained Loss	Accumulated Other Comprehensive Loss	Treasury Stock	Total
<b>January 1, 2021</b>	\$ 0.7	\$ 1,296.0	\$ (1,475.3)	\$ (58.4)	\$ —	\$ (237.0)
Net loss	—	—	(15.4)	—	—	(15.4)
Stock-based compensation activity	—	1.9	(0.1)	—	(3.6)	(1.8)
Exercise of Ripple Warrants	0.1	(0.1)	—	—	—	—
Other comprehensive loss	—	—	—	(5.0)	—	(5.0)
<b>March 31, 2021</b>	<u>\$ 0.8</u>	<u>\$ 1,297.8</u>	<u>\$ (1,490.8)</u>	<u>\$ (63.4)</u>	<u>\$ (3.6)</u>	<u>\$ (259.2)</u>

<i>(Amounts in millions)</i>	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Loss	Accumulated Other Comprehensive Loss	Treasury Stock	Total
<b>January 1, 2020</b>	\$ 183.9	\$ 0.7	\$ 1,116.9	\$ (1,460.1)	\$ (63.5)	\$ (18.3)	\$ (240.4)
Net loss	—	—	—	(21.5)	—	—	(21.5)
Stock-based compensation activity	—	—	1.9	(6.9)	—	6.0	1.0
Other comprehensive loss	—	—	—	—	(6.8)	—	(6.8)
<b>March 31, 2020</b>	<u>\$ 183.9</u>	<u>\$ 0.7</u>	<u>\$ 1,118.8</u>	<u>\$ (1,488.5)</u>	<u>\$ (70.3)</u>	<u>\$ (12.3)</u>	<u>\$ (267.7)</u>

See Notes to the Unaudited Condensed Consolidated Financial Statements

**MONEYGRAM INTERNATIONAL, INC.****NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

---

**Note 1 — Description of the Business and Basis of Presentation**

---

References to "MoneyGram," the "Company," "we," "us" and "our" are to MoneyGram International, Inc. and its subsidiaries.

*Nature of Operations* — MoneyGram offers products and services under its two reporting segments: Global Funds Transfer and Financial Paper Products. The Global Funds Transfer segment provides global money transfer services and bill payment services to consumers through two primary distribution channels: retail and digital. Through our Retail Channel, we offer services through third-party agents, including retail chains, independent retailers, post offices and other financial institutions. Additionally, we have limited Company-operated retail locations. We offer services such as moneygram.com, mobile solutions, account deposit and kiosk-based services as part of our Digital Channel. The Financial Paper Products segment provides official check outsourcing services and money orders through financial institutions and agent locations.

*Basis of Presentation* — The accompanying unaudited condensed consolidated financial statements of MoneyGram are prepared in conformity with U.S. GAAP for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements. The Condensed Consolidated Balance Sheets are unclassified due to the timing uncertainty surrounding the payment of settlement obligations. The condensed consolidated financial statements include all adjustments of a normal recurring nature that, in the opinion of management, are necessary in order to make the financial statements not misleading.

*Impact of Novel Coronavirus ("COVID-19") Pandemic On Our Financial Statements* — The global spread of COVID-19 and the unprecedented impact of the COVID-19 pandemic is complex and ever-evolving. In March 2020, the World Health Organization declared COVID-19 a global pandemic and recommended extensive containment and mitigation measures worldwide. The outbreak reached all of the regions in which we do business, and governmental authorities around the world implemented numerous measures attempting to contain and mitigate the effects of the virus, including travel bans and restrictions, border closings, quarantines, shelter-in-place orders, shutdowns, limitations or closures of non-essential businesses, school closures and social distancing requirements. The global spread of COVID-19 and resulting government actions taken in response to the virus have caused, and may continue to cause significant economic and business disruption, volatility and financial uncertainty, and a continued significant global economic downturn. This has had, and may continue to have, a negative impact on our workforce, agents, customers, financial markets, consumer spending and credit markets. Even after the COVID-19 pandemic has subsided, we may continue to experience adverse impacts to our business as a result of any economic recession or depression that has occurred or may occur in the future. Therefore, the Company cannot reasonably estimate the future impact at this time.

There were no other material impacts to our unaudited condensed consolidated financial statements as of and for the quarter ended March 31, 2021, based on the Company's assessment of its estimates. As additional information becomes available to us, our future assessment of these estimates, including our expectations at the time regarding the duration, scope and severity of the pandemic, as well as other factors, could materially and adversely impact our Unaudited Condensed Consolidated Financial Statements in future reporting periods.

*Use of Estimates* — The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on historical experience, future expectations, impact of the COVID-19 pandemic and other factors and assumptions the Company believes to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis and are revised when necessary. Changes in estimates are recorded in the period of change. Actual amounts may differ from these estimates.

*Principles of Consolidation* — The condensed consolidated financial statements include the accounts of MoneyGram International, Inc. and its subsidiaries. Intercompany profits, transactions and account balances have been eliminated in consolidation.

*Reclassification* — Certain prior amounts have been reclassified in order to conform to the current year presentation. In 2020, the Company changed the presentation of its right-of-use assets and associated lease liabilities in the accompanying Condensed Consolidated Balance Sheets and Condensed Consolidated Statements of Cash Flows. Increases to our right-of-asset and liabilities that result from new operating leases, extension of existing operating leases or modifications of existing operating leases are excluded from the Condensed Consolidated Statements of Cash Flows as these are non-cash items in the period they occur.

**Presentation** — During the first quarter of 2021, the Company changed its presentation to disclose "Gross profit" in the Condensed Consolidated Statements of Operations. The presentation of gross profit is intended to supplement investors with an understanding of our operating performance. Gross profit is calculated as total revenue less commissions and direct transaction expenses. These expenses were previously included within "Operating expenses" and are now presented within "Cost of revenue" in the Condensed Consolidated Statements of Operations. The change in presentation was applied retrospectively to all periods presented in the Condensed Consolidated Statements of Operations and it had no effect on Operating income, Net loss or Loss per share. The Condensed Consolidated Balance Sheets, Condensed Consolidated Statements of Comprehensive Loss, Condensed Consolidated Statements of Stockholders' Deficit and Condensed Consolidated Statements of Cash Flows are not affected by this change in presentation.

**Recently Issued Accounting Standards and Related Developments Not Yet Adopted** — In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The new credit impairment standard changes the impairment model for most financial assets and certain other instruments. For trade and other receivables, held-to-maturity debt securities, loans and other instruments, entities will be required to use a new forward-looking expected loss model that generally will result in the earlier recognition of allowances for credit losses. For available-for-sale debt securities with unrealized losses, entities will measure credit losses in a manner similar to what they do today, except that the losses will be recognized as allowances rather than as reductions in the amortized cost of the securities. To further assist with adoption and implementation of ASU 2016-13, the FASB issued the following ASUs:

- ASU 2018-19 (Issued November 2018) — *Codification Improvements to Topic 326, Financial Instruments - Credit Losses*
- ASU 2019-04 (Issued April 2019) — *Codification Improvements to Topic 326, Financial Instruments - Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments*
- ASU 2019-05 (Issued May 2019) — *Financial Instruments - Credit Losses (Topic 326): Targeted Transition Relief*
- ASU 2019-10 (Issued November 2019) — *Financial Instruments - Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates*
- ASU 2019-11 (Issued November 2019) — *Codification Improvements to Topic 326, Financial Instruments - Credit Losses*
- ASU 2020-02 (Issued February 2020) — *Financial Instruments - Credit Losses (Topic 326) and Leases (Topic 842): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 119 and Update to SEC Section on Effective Date Related to Accounting Standards Update No. 2016-02, Leases (Topic 842) (SEC Update)*
- ASU 2020-03 (Issued March 2020) — *Codification Improvements to Financial Instruments*

ASU 2019-10 changed the effective date of ASU 2016-13 for public business entities that meet the definition of a U.S. Securities and Exchange Commission ("SEC") filer but that are eligible to be a smaller reporting company to fiscal years beginning after December 15, 2022. MoneyGram is a smaller reporting company and, as such, has elected to adopt the amendments in these standards in 2023. We are still evaluating these ASUs, but we do not believe the adoption will have a material impact on our condensed consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The amendments in this ASU provide, if certain criteria are met, optional expedients and exceptions for applying the GAAP requirements for contract modifications, hedging relationships and sales or transfers of debt securities that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform through December 31, 2022. The adoption of this ASU is optional and the election can be made anytime during the effective period. The amendments in this ASU are effective as of March 12, 2020 through December 31, 2022. MoneyGram is currently evaluating the impact of this standard and has not yet determined whether we will elect the optional expedients.

In August 2020, the FASB issued ASU 2020-06, *Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*. This ASU changes how entities account for convertible instruments and contracts in an entity's own equity and simplifies the accounting for convertible instruments by removing certain separation models for convertible instruments. This ASU also modifies the guidance on diluted earnings per share calculations. The amendments are effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. We are currently evaluating the impact of this standard on our condensed consolidated financial statements.

The Company has determined that there have been no other recently adopted or issued accounting standards that had, or will have, a material impact on its condensed consolidated financial statements.

**Note 2 — Reorganization Costs**

In the first quarter of 2021, the Company committed to an operational plan to reduce overall operating expenses, including the elimination of approximately 110 positions across the Company and certain actions to reduce other ongoing operating expenses, including real estate-related expenses (the “2021 Organizational Realignment”). The actions are designed to streamline operations and structure the Company in a way that will be more agile and aligned around its plan to execute digital and market-specific strategies. The workforce reduction portion of the 2021 Organizational Realignment was substantially completed in the first quarter of 2021 and the Company anticipates related cash expenditures to be substantially paid out by the end of 2021. Costs incurred in the first quarter of 2021 consisted primarily of one-time termination benefits for employee severance and related costs, which are recorded in “Compensation and benefits” on the Condensed Consolidated Statements of Operations. The Company’s estimates are based on a number of assumptions. Actual results may differ materially, and additional charges not currently expected may be incurred in connection with, or as a result of, the 2021 Organizational Realignment.

The following table is a roll-forward of the reorganization costs accrual as of March 31, 2021:

<i>(Amounts in millions)</i>	<b>2021 Organizational Realignment</b>	
Balance at December 31, 2020	\$	—
Expenses		5.9
Cash payments		(4.3)
Balance at March 31, 2021	\$	<u>1.6</u>

The following table is a summary of the cumulative reorganization costs incurred to date in operating expenses and the estimated remaining reorganization costs to be incurred as of March 31, 2021:

<i>(Amounts in millions)</i>	<b>2021 Organizational Realignment</b>	
Cumulative reorganization costs incurred to date in operating expenses	\$	5.9
Estimated additional reorganization costs to be incurred		3.8
Total reorganization costs incurred and to be incurred	\$	<u>9.7</u>

The following table is a summary of the cumulative reorganization costs incurred to date in operating expenses by reporting segment:

<i>(Amounts in millions)</i>	<b>Global Funds Transfer</b>		<b>Financial Paper Products</b>		<b>Total</b>	
Balance at December 31, 2020	\$	—	\$	—	\$	—
First quarter 2021		5.7		0.2		5.9
Total cumulative reorganization costs incurred to date	\$	<u>5.7</u>	\$	<u>0.2</u>	\$	<u>5.9</u>

**Note 3 — Settlement Assets and Payment Service Obligations**

The Company records payment service obligations relating to amounts payable under money transfers, money orders and consumer payment service arrangements. These obligations are recognized by the Company at the time the underlying transaction occurs. The Company records corresponding settlement assets, which represent funds received or to be received for unsettled money transfers, money orders and consumer payments.

The following table summarizes the amount of settlement assets and payment service obligations:

<i>(Amounts in millions)</i>	March 31, 2021	December 31, 2020
<b>Settlement assets:</b>		
Settlement cash and cash equivalents	\$ 1,846.4	\$ 1,883.2
Receivables, net	824.9	825.0
Interest-bearing investments	992.3	991.2
Available-for-sale investments	3.4	3.5
<b>Total settlement assets</b>	<b>\$ 3,667.0</b>	<b>\$ 3,702.9</b>
<b>Payment service obligations</b>	<b>\$ (3,667.0)</b>	<b>\$ (3,702.9)</b>

**Note 4 — Fair Value Measurement**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability, or the exit price, in an orderly transaction between market participants on the measurement date.

*Assets and liabilities that are measured at fair value on a recurring basis:*

- *Available-for-sale investments* — For residential mortgage-backed securities issued by U.S. government agencies, fair value measures are obtained from an independent pricing service. As market quotes are generally not readily available or accessible for these specific securities, the pricing service measures fair value through the use of pricing models utilizing reported market quotes adjusted for observable inputs, such as market prices for comparable securities, spreads, prepayment speeds, yield curves and delinquency rates. Accordingly, these securities are classified as Level 2 financial instruments.

For asset-backed and other securities, which include investments in limited partnerships, market quotes are generally not available. The Company utilizes broker quotes to measure market value, if available. Because the inputs and assumptions that brokers use to develop prices are unobservable, valuations that are based on brokers' quotes are classified as Level 3. Also, the Company uses pricing services that utilize pricing models based on market observable and unobservable data. The observable inputs include quotes for comparable securities, yield curves, default indices, interest rates, historical prepayment speeds and delinquency rates. These pricing models also apply an inactive market adjustment as a significant unobservable input. Accordingly, asset-backed and other securities valued using third-party pricing models are classified as Level 3.

- *Derivative financial instruments* — Derivatives consist of forward contracts to manage income statement exposure to non-U.S. dollar exchange risk arising from the Company's assets and liabilities denominated in non-U.S. dollar currencies. The Company's forward contracts are well-established products, allowing the use of standardized models with market-based inputs. These models do not contain a high level of subjectivity, and the inputs are readily observable. Accordingly, the Company has classified its forward contracts as Level 2 financial instruments. See Note 6 — *Derivative Financial Instruments* for additional disclosure on the Company's forward contracts.

The following table summarizes the Company's financial assets and liabilities measured at fair value by hierarchy level on a recurring basis:

<i>(Amounts in millions)</i>	Level 2	Level 3	Total
<b>March 31, 2021</b>			
<b>Financial assets:</b>			
Available-for-sale investments:			
Residential mortgage-backed securities	\$ 2.8	\$ —	\$ 2.8
Asset-backed and other securities	—	0.6	0.6
Forward contracts	2.3	—	2.3
<b>Total financial assets</b>	<b>\$ 5.1</b>	<b>\$ 0.6</b>	<b>\$ 5.7</b>
<b>Financial liabilities:</b>			
Forward contracts	\$ 0.1	\$ —	\$ 0.1
<b>December 31, 2020</b>			
<b>Financial assets:</b>			
Available-for-sale investments:			
Residential mortgage-backed securities	\$ 3.0	\$ —	\$ 3.0
Asset-backed and other securities	—	0.5	0.5
Forward contracts	0.1	—	0.1
<b>Total financial assets</b>	<b>\$ 3.1</b>	<b>\$ 0.5</b>	<b>\$ 3.6</b>
<b>Financial liabilities:</b>			
Forward contracts	\$ 2.2	\$ —	\$ 2.2

*Assets and liabilities that are disclosed at fair value* — Debt and interest-bearing investments are carried at amortized cost; however, the Company estimates the fair value of debt for disclosure purposes. The fair value of the first lien credit facility is estimated using an observable market quotation (Level 2). As of March 31, 2021 and December 31, 2020, the fair value of the first lien credit facility was \$633.7 million and \$635.3 million, respectively, with a carrying value of \$633.7 million and \$635.3 million, respectively. The fair value of the second lien credit facility is estimated using unobservable market inputs (Level 3), including broker quotes for comparable traded securities and yield curves. As of March 31, 2021 and December 31, 2020, the fair value of the second lien credit facility was \$248.8 million and \$254.3 million, respectively, with a carrying value of \$254.6 million and \$254.6 million, respectively.

The carrying amounts for the Company's cash and cash equivalents, settlement cash and cash equivalents, receivables, interest-bearing investments and payment service obligations approximate fair value as of March 31, 2021 and December 31, 2020.

**Note 5 — Investment Portfolio**

The following table shows the components of the investment portfolio:

<i>(Amounts in millions)</i>	March 31, 2021	December 31, 2020
Cash	\$ 1,999.2	\$ 2,076.8
Money market securities	—	2.5
Cash and cash equivalents <sup>(1)</sup>	1,999.2	2,079.3
Interest-bearing investments	992.3	991.2
Available-for-sale investments	3.4	3.5
Total investment portfolio	<u>\$ 2,994.9</u>	<u>\$ 3,074.0</u>

<sup>(1)</sup> For purposes of the disclosure of the investment portfolio as a whole, the cash and cash equivalents balance includes settlement cash and cash equivalents.

The following table is a summary of the amortized cost and fair value of available-for-sale investments:

<i>(Amounts in millions)</i>	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<b>March 31, 2021</b>				
Residential mortgage-backed securities	\$ 2.5	\$ 0.3	\$ —	\$ 2.8
Asset-backed and other securities	—	0.6	—	0.6
Total	<u>\$ 2.5</u>	<u>\$ 0.9</u>	<u>\$ —</u>	<u>\$ 3.4</u>
<b>December 31, 2020</b>				
Residential mortgage-backed securities	\$ 2.6	\$ 0.4	\$ —	\$ 3.0
Asset-backed and other securities	0.2	0.5	(0.2)	0.5
Total	<u>\$ 2.8</u>	<u>\$ 0.9</u>	<u>\$ (0.2)</u>	<u>\$ 3.5</u>

As of March 31, 2021 and December 31, 2020, 82% and 86%, respectively, of the fair value of the available-for-sale portfolio were invested in residential mortgage-backed securities issued by U.S. government agencies. These securities have the implicit backing of the U.S. government, and the Company expects to receive full par value upon maturity or pay-down, as well as all interest payments.

*Gains and Losses* — For the three months ended March 31, 2021 and 2020, the Company had no realized gains or losses.

*Contractual Maturities* — Actual maturities may differ from contractual maturities as borrowers may have the right to call or prepay obligations, sometimes without call or prepayment penalties. Maturities of residential mortgage-backed and asset-backed and other securities depend on the repayment characteristics and experience of the underlying obligations.

## Note 6 — Derivative Financial Instruments

The Company uses forward contracts to manage its non-U.S. dollar needs and non-U.S. dollar exchange risk arising from its assets and liabilities denominated in non-U.S. dollars. While these contracts may mitigate certain non-U.S. dollar risk, they are not designated as hedges for accounting purposes and will result in gains and losses in the Condensed Consolidated Statements of Operations. The Company also reports gains and losses from the spread differential between the rate set for its transactions and the actual cost of currency at the time the Company buys or sells in the open market.

The following net gains (losses) related to assets and liabilities denominated in non-U.S. dollar are included in "Transaction and operations support" in the Condensed Consolidated Statements of Operations and in the "Net cash used in operating activities" line in the Condensed Consolidated Statements of Cash Flows:

<i>(Amounts in millions)</i>	Three Months Ended March 31,	
	2021	2020
Net realized non-U.S. dollar loss	\$ (8.2)	\$ (3.8)
Net gain from the related forward contracts	6.6	6.3
Net (loss) gain from non-U.S. dollar transactions and related forward contracts	<u>\$ (1.6)</u>	<u>\$ 2.5</u>

As of March 31, 2021 and December 31, 2020, the Company had \$501.5 million and \$643.8 million, respectively, of outstanding notional amounts relating to its non-U.S. dollar forward contracts.

As of March 31, 2021 and December 31, 2020, the Company reflects the following fair values of derivative forward contract instruments in its Condensed Consolidated Balance Sheets:

<i>(Amounts in millions)</i>	Balance Sheet Location	Gross Amount of Recognized Assets		Gross Amount of Offset		Net Amount of Assets Presented in the Condensed Consolidated Balance Sheets	
		March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
		Forward contracts	"Other assets"	\$ 4.0	\$ 1.0	\$ (1.7)	\$ (0.9)

<i>(Amounts in millions)</i>	Balance Sheet Location	Gross Amount of Recognized Liabilities		Gross Amount of Offset		Net Amount of Liabilities Presented in the Condensed Consolidated Balance Sheets	
		March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
		Forward contracts	"Accounts payable and other liabilities"	\$ 1.8	\$ 3.1	\$ (1.7)	\$ (0.9)

The Company's forward contracts are primarily executed with counterparties governed by International Swaps and Derivatives Association agreements that generally include standard netting arrangements. Asset and liability positions from forward contracts and all other non-U.S. dollar exchange transactions with the same counterparty are net settled upon maturity.

The Company is exposed to credit loss in the event of non-performance by counterparties to its derivative contracts. The Company actively monitors its exposure to credit risk through the use of credit approvals and credit limits and by selecting major international banks and financial institutions as counterparties. Collateral generally is not required of the counterparties or of the Company. In the unlikely event the counterparty fails to meet the contractual terms of the derivative contract, the Company's risk is limited to the fair value of the instrument. The Company has not had any historical instances of non-performance by any counterparties, nor does it anticipate any future instances of non-performance.

**Note 7 — Debt**

The following is a summary of the Company's outstanding debt:

<i>(Amounts in millions, except percentages)</i>	March 31, 2021	December 31, 2020
7.00% first lien credit facility due 2023	\$ 633.7	\$ 635.3
13.00% second lien credit facility due 2024	254.6	254.6
Senior secured credit facilities	888.3	889.9
Unamortized debt issuance costs and debt discounts	(29.5)	(32.1)
<b>Total debt, net</b>	<b>\$ 858.8</b>	<b>\$ 857.8</b>

*First Lien Credit Agreement and Revolving Credit Facility* — The First Lien Credit Agreement provides for (a) a senior secured three-year revolving credit facility that may be used for revolving credit loans, swingline loans and letters of credit up to an aggregate principal amount of \$35.0 million, which matures September 30, 2022 (the "First Lien Revolving Credit Facility") and (b) a senior secured four-year term loan facility in an aggregate principal amount of \$645.0 million (the "First Lien Term Credit Facility" and together with the First Lien Revolving Credit Facility, the "First Lien Credit Facility").

The First Lien Credit Agreement provides that in the event the Company's cash balance exceeds \$130.0 million at the end of any month, the Company would be required to use such excess cash to pay any outstanding obligations to the revolving lenders under our First Lien Revolving Credit Facility, and that the Company may not draw on the First Lien Revolving Credit Facility to the extent that the Company would have a cash balance in excess of \$130.0 million after giving effect to such borrowing. As of March 31, 2021, the Company had no borrowings and nominal outstanding letters of credit under the First Lien Revolving Credit Facility.

*Second Lien Credit Agreement* — The Second Lien Credit Agreement provides for a second lien secured five-year term loan facility in an aggregate principal amount of \$245.0 million (the "Second Lien Term Credit Facility" and together with the First Lien Credit Facility, the "Credit Facilities"). Subject to certain conditions and limitations, the Company may elect to pay interest under the Second Lien Term Credit Facility partially in cash and partially in kind. The outstanding principal balance for the Second Lien Credit Agreement is due on the maturity date.

The Credit Facilities are secured by substantially all of the Company's assets and its material domestic subsidiaries that guarantee the payment and performance of the Company's obligations under the Credit Facilities.

*Debt Covenants and Other Restrictions* — The Credit Facilities contain various limitations that restrict the Company's ability to: incur additional indebtedness; create or incur additional liens; effect mergers and consolidations; make certain acquisitions or investments; sell assets or subsidiary stock; pay dividends and make other restricted payments; and effect loans, advances and certain other transactions with affiliates. In addition, the First Lien Revolving Credit Facility requires the Company and its consolidated subsidiaries (w) to maintain a minimum interest coverage ratio, (x) to maintain a minimum asset coverage ratio, (y) to not exceed a maximum first lien leverage ratio and (z) to not exceed a total leverage ratio. The First Lien Credit Facility requires the Company to not exceed a maximum first lien leverage ratio of 4.00:1.00 and the Second Lien Credit Facility requires the Company to not exceed a maximum secured leverage ratio of 5.50:1.00, commencing September 30, 2019.

The asset coverage covenant contained in the First Lien Credit Agreement requires the aggregate amount of the Company's cash and cash equivalents and other settlement assets to exceed its aggregate payment service obligations. The Company's assets in excess of payment service obligations used for the asset coverage calculation were \$152.8 million and \$196.1 million as of March 31, 2021 and December 31, 2020, respectively. The table below summarizes the Revolver Financial Covenants Under the First Lien Credit Agreement, the interest coverage, first lien and total leverage ratio covenants, which are calculated based on the four-fiscal quarter period ending on each quarter end through the maturity of the First Lien Credit Facility:

	Interest Coverage Minimum Ratio	First Lien Leverage Ratio Not to Exceed	Total Leverage Ratio Not to Exceed
January 1, 2021 through maturity	2.50:1	3.000:1	4.500:1

As of March 31, 2021, the Company was in compliance with its financial covenants: our interest coverage ratio was 3.161 to 1.00, our first lien leverage ratio was 2.527 to 1.00 and our total leverage ratio was 3.542 to 1.00. We continuously monitor our compliance with our debt covenants.

## Note 8 — Pension and Other Benefits

The following table is a summary of net periodic benefit expense for the Company's defined benefit Pension Plan and supplemental executive retirement plans, collectively referred to as "Pension":

(Amounts in millions)	Three Months Ended March 31,	
	2021	2020
Interest cost	\$ 0.5	\$ 0.8
Expected return on plan assets	(0.2)	(0.2)
Amortization of net actuarial loss	0.6	0.5
Net periodic benefit expense	\$ 0.9	\$ 1.1

The Company had nominal net periodic benefit expense for the three months ended March 31, 2021 and 2020, respectively for its postretirement medical benefit plan ("Postretirement Benefits"). Net periodic benefit expense for the Pension and Postretirement Benefits is recorded in "Other non-operating expense" in the Condensed Consolidated Statements of Operations.

## Note 9 — Stockholders' Deficit

*Common Stock* — No dividends were paid during the three months ended March 31, 2021 or 2020.

*Series D Participating Convertible Preferred Stock (the "D Stock")* — In 2011, the Company issued 71,282 shares of D Stock to Goldman Sachs. Each share of D Stock has a liquidation preference of \$0.01 and is convertible into 125 shares of common stock. In 2020, Goldman Sachs converted all of its 71,282 shares of D Stock into 8,910,234 shares of common stock with a par value of \$0.01 per share. As of March 31, 2021 and December 31, 2020, the Company had 200,000 shares of D Stock with a par value of \$0.01 per share, authorized and none issued.

The following table is a summary of changes in the number of shares of the Company's authorized, issued and outstanding stock as of March 31, 2021:

	Common Stock			Treasury Stock
	Authorized	Issued	Outstanding	
<b>December 31, 2020</b>	162,500,000	72,530,770	(72,517,539)	13,231
Exercise of Ripple Warrants	—	5,948,895	(5,948,895)	—
Release for restricted stock units	—	1,793,754	(1,274,964)	518,790
<b>March 31, 2021</b>	162,500,000	80,273,419	(79,741,398)	532,021

*Accumulated Other Comprehensive Loss* — The following table is a summary of the significant amounts reclassified out of each component of "Accumulated other comprehensive loss":

(Amounts in millions)	Three Months Ended March 31,		Statement of Operations Location
	2021	2020	
Pension and Postretirement Benefits adjustments:			
Amortization of net actuarial loss	\$ 0.6	\$ 0.5	"Other non-operating expense"
Total before tax	0.6	0.5	
Tax benefit, net	(0.1)	(0.1)	
Total reclassified for the period, net of tax	\$ 0.5	\$ 0.4	

The following table is a summary of the changes to Accumulated other comprehensive loss by component:

<i>(Amounts in millions)</i>	Net Unrealized Gains on Securities Classified as Available-for-sale, Net of Tax	Cumulative non-U.S. dollar Translation Adjustments, Net of Tax	Pension and Postretirement Benefits Adjustment, Net of Tax	Total
January 1, 2021	\$ 1.2	\$ (20.9)	\$ (38.7)	\$ (58.4)
Other comprehensive loss before reclassification	0.3	(5.8)	—	(5.5)
Amounts reclassified from accumulated other comprehensive loss	—	—	0.5	0.5
Net current period other comprehensive loss	0.3	(5.8)	0.5	(5.0)
March 31, 2021	<u>\$ 1.5</u>	<u>\$ (26.7)</u>	<u>\$ (38.2)</u>	<u>\$ (63.4)</u>

<i>(Amounts in millions)</i>	Net Unrealized Gains on Securities Classified as Available-for-sale, Net of Tax	Cumulative non-U.S. dollar Translation Adjustments, Net of Tax	Pension and Postretirement Benefits Adjustment, Net of Tax	Total
January 1, 2020	\$ 1.6	\$ (28.1)	\$ (37.0)	\$ (63.5)
Other comprehensive loss before reclassification	—	(7.2)	—	(7.2)
Amounts reclassified from accumulated other comprehensive loss	—	—	0.4	0.4
Net current period other comprehensive loss	—	(7.2)	0.4	(6.8)
March 31, 2020	<u>\$ 1.6</u>	<u>\$ (35.3)</u>	<u>\$ (36.6)</u>	<u>\$ (70.3)</u>

#### Note 10 — Stock-Based Compensation

The following table is a summary of the Company's stock-based compensation expense:

<i>(Amounts in millions)</i>	Three Months Ended March 31,	
	2021	2020
Stock-based compensation expense	\$ 1.8	\$ 2.0

*Stock Options* — The following table is a summary of the Company's stock option activity:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value (\$000,000)
Options outstanding at December 31, 2020	277,962	\$ 19.58	1.8 years	\$ —
Forfeited/Expired	(8,751)	17.17		
Options outstanding, vested or expected to vest, and exercisable at March 31, 2021	<u>269,211</u>	<u>\$ 19.66</u>	1.6 years	\$ —

As of March 31, 2021, the Company had no unrecognized stock option expense related to outstanding options.

*Restricted Stock Units* — On February 24, 2021, the Company granted time-based and performance-based restricted stock units. The time-based restricted stock units vest in three equal installments on each anniversary of the grant date. The performance-based restricted stock units are subject to performance conditions and a one-year performance period. When and if the conditions are satisfied at the end of the one-year performance period, vesting of the performance-based restricted stock units are subject only to the passage of time and vest in three equal installments on each anniversary of the grant date.

The following table is a summary of the Company's restricted stock unit activity:

	Total Shares	Weighted-Average Grant-Date Fair Value	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value (\$'000,000)
Restricted stock units outstanding at December 31, 2020	5,158,235	\$ 2.62	0.95 years	\$ 28.2
Granted	1,495,575	5.49		
Vested and converted to shares	(1,795,796)	3.31		
Forfeited	(546,259)	2.29		
Restricted stock units outstanding at March 31, 2021	4,311,755	\$ 3.36	1.42 years	\$ 28.3
Restricted stock units vested and deferred at March 31, 2021	215,021	\$ 3.37		\$ 1.4

The following table is a summary of the Company's restricted stock unit compensation information:

<i>(Amounts in millions)</i>	Three Months Ended March 31,	
	2021	2020
Weighted-average grant-date fair value of restricted stock units vested during the period	\$ 5.9	\$ 6.9
Total intrinsic value of vested and converted shares	\$ 12.4	\$ 2.5

As of March 31, 2021, the Company's outstanding restricted stock units had unrecognized compensation expense of \$12.6 million with a remaining weighted-average vesting period of 1.9 years.

## Note 11 — Income Taxes

For the three months ended March 31, 2021, the Company recognized an income tax expense of \$0.5 million on a pre-tax loss of \$14.9 million primarily due to non-deductible expenses, foreign taxes net of federal income tax benefits, an increase in valuation allowance, U.S. taxation of foreign earnings and state taxes, all of which were partially offset by U.S. general business credits and recognition of excess tax benefits on share-based compensation.

Unrecognized tax benefits are recorded in "Accounts payable and other liabilities" in the Condensed Consolidated Balance Sheets. As of March 31, 2021 and December 31, 2020, the liability for unrecognized tax benefits was \$19.7 million for both periods, exclusive of interest and penalties. The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate was \$19.7 million as of March 31, 2021. The Company accrues interest and penalties for unrecognized tax benefits through "Income tax (benefit) expense" in the Condensed Consolidated Statements of Operations. For the three months ended March 31, 2021 and 2020, the Company's accrual for interest and penalties increased by \$0.2 million and \$0.3 million, respectively. As of March 31, 2021 and December 31, 2020, the Company had a liability of \$9.6 million and \$9.4 million, respectively, for accrued interest and penalties within "Accounts payable and other liabilities." As a result of the Company's litigation related to its securities losses discussed in more detail in Note 12 — *Commitments and Contingencies*, it is possible that there could be a significant decrease to the total amount of unrecognized tax benefits over the next 12 months. However, as of March 31, 2021, it is not possible to reasonably estimate the expected change to the total amount of unrecognized tax positions over the next 12 months.

## Note 12 — Commitments and Contingencies

*Letters of Credit* — At March 31, 2021, the Company had no borrowings and nominal outstanding letters of credit under the First Lien Revolving Credit Facility.

*Legal Proceedings* — The matters set forth below are subject to uncertainties and outcomes that are not predictable. The Company accrues for these matters as any resulting losses become probable and can be reasonably estimated. Further, the Company maintains insurance coverage for many claims and litigation matters. In relation to various legal matters, including those described below, the Company had \$57.0 million of liability recorded in "Accounts payable and other liabilities" in the Condensed Consolidated Balance Sheets as of March 31, 2021 and December 31, 2020. For the three months ended March 31, 2021 and 2020, a nominal charge was recorded for legal proceedings in "Transaction and operations support" in the Condensed Consolidated Statements of Operations.

**Litigation Commenced Against the Company:**

*Class Action Securities Litigation* — On November 14, 2018, a putative securities class action lawsuit was filed in the United States District Court for the Northern District of Illinois against MoneyGram and certain of its executive officers. The lawsuit asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and alleges that MoneyGram made material misrepresentations regarding its compliance with the stipulated order for permanent injunction and final judgment that MoneyGram entered into with the Federal Trade Commission ("FTC") in October 2009 and with the deferred prosecution agreement (the "DPA") that MoneyGram entered into with the U.S. Attorney's Office for the Middle District of Pennsylvania and the U.S. Department of Justice in November 2012. The lawsuit seeks unspecified damages, equitable relief, interest and costs and attorneys' fees. The Company believes the case is without merit and is vigorously defending this matter. We are unable to predict the outcome, or the possible loss or range of loss, if any, related to this matter.

*Shareholder Derivative Litigation* — On February 19 and 20, 2019, two virtually identical shareholder derivative lawsuits were filed in the United States District Court for the Northern District of Texas. The suits, which were consolidated, purport to assert claims derivatively on behalf of MoneyGram against MoneyGram's directors and certain of its executive officers for violations of Sections 10(b), 14(a) and 20(a) of the Securities Exchange Act of 1934 and for common-law breach of fiduciary duty and unjust enrichment. The complaints asserted that the individual defendants caused MoneyGram to make material misstatements regarding MoneyGram's compliance with the stipulated order and DPA described below and breached their fiduciary duties in connection with MoneyGram's compliance programs. The lawsuit sought unspecified damages, equitable relief, interest and costs and attorneys' fees. On February 24, 2020, the United States District for the Northern District of Texas entered an agreed final judgment dismissing the consolidated case. On December 28, 2019, another MoneyGram shareholder filed a putative derivative action suit in the Court of Chancery of the State of Delaware, New Castle County, against certain of MoneyGram's officers and directors. The Delaware suit asserts claims for breach of fiduciary duty and other common law theories and seeks unspecified damages on behalf of MoneyGram based on allegations that the individual defendants failed to take appropriate actions to prevent or remedy noncompliance with the stipulated order and DPA described below. On December 31, 2020, the Court of Chancery granted the motion to dismiss filed by MoneyGram and the individual defendants, holding that the complaint failed to plead particularized facts showing a substantial likelihood that MoneyGram's directors acted in bad faith. The Court of Chancery entered a judgment of dismissal with prejudice on January 25, 2021. No appeal has been filed.

*Books and Records Requests* — The Company has received multiple requests from various putative shareholders for inspection of books and records pursuant to Section 220 of the Delaware General Corporation Law relating to the subject matter of the putative class and derivative lawsuits described in the preceding paragraphs. On February 26, 2019, two of these shareholders filed a petition in the Delaware Court of Chancery to compel MoneyGram to produce books and records in accordance with their request but have since dismissed their action. We are unable to predict the outcome, or the possible loss or range of loss, if any, related to these matters.

*Class Action Securities Litigation Relating to XRP Cryptocurrency* — On March 1, 2021, a putative securities class action lawsuit was filed in the United States District Court for the Central District of California against MoneyGram and certain of its executive officers. A second substantially similar putative class action was filed March 10, 2021 in the same court. The lawsuits assert claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and allege that MoneyGram made material misrepresentations regarding its business relationship with Ripple Labs, Inc. ("Ripple") and MoneyGram's use of Ripple's XRP cryptocurrency. The lawsuits seek unspecified damages, equitable relief, interest and costs and attorneys' fees. On April 8, 2021, by agreement of the parties, the court consolidated the two lawsuits and transferred the consolidated action to the United States District Court for the Northern District of Texas, where the case remains pending. The Company believes the case is without merit and is vigorously defending this matter. We are unable to predict the outcome, or the possible loss or range of loss, if any, related to this matter.

It is possible that additional shareholder lawsuits could be filed relating to the subject matter of the above class actions, derivative actions and Section 220 requests.

*Other Matters* — The Company is involved in various other claims and litigation that arise from time to time in the ordinary course of the Company's business. Management does not believe that after final disposition any of these matters is likely to have a material adverse impact on the Company's financial condition, results of operations or cash flows.

**Government Investigations:**

*OFAC* — In 2015, we initiated an internal investigation to identify any payments processed by the Company that were violations of the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") sanctions regulations. We notified OFAC of the internal investigation, which was conducted in conjunction with the Company's outside counsel. On March 28, 2017, we filed a Voluntary Self-Disclosure with OFAC regarding the findings of our internal investigation. On April 21, 2021, the Company entered into a settlement agreement with OFAC to settle all pending matters, which included a nominal payment by the Company to OFAC. In assessing this nominal penalty, OFAC acknowledged several mitigating factors

including that MoneyGram discovered and voluntarily disclosed the apparent violations as part of its ongoing efforts to improve its compliance program, MoneyGram's remedial actions, significant investments in compliance-related functions and MoneyGram's cooperation with OFAC's investigation.

*Deferred Prosecution Agreement* — In November 2012, we announced that a settlement was reached with the U.S. Attorney's Office for the Middle District of Pennsylvania (the "MDPA") and the U.S. Department of Justice, Criminal Division, Money Laundering and Asset Recovery Section (the "U.S. DOJ") relating to the previously disclosed investigation of transactions involving certain of our U.S. and Canadian agents, as well as fraud complaint data and the consumer anti-fraud program, during the period from 2003 to early 2009. In connection with this settlement, we entered into the DPA with the MDPA and U.S. DOJ (collectively, the "Government") dated November 9, 2012.

On November 1, 2017, the Company agreed to a stipulation with the Government that the five-year term of the Company's DPA be extended for 90 days to February 6, 2018. Between January 31, 2018 and September 14, 2018, the Company agreed to enter into various extensions of the DPA with the Government, with the last extension ending on November 6, 2018. Each extension of the DPA extended all terms of the DPA, including the term of the monitorship for an equivalent period. The purpose of the extensions was to provide the Company and the Government additional time to discuss whether the Company was in compliance with the DPA.

On November 8, 2018, the Company announced that it entered into (1) an Amendment to and Extension of Deferred Prosecution Agreement (the "Amended DPA") with the Government and (2) a Stipulated Order for Compensatory Relief and Modified Order for Permanent Injunction (the "Consent Order") with the FTC. The motions underlying the Amended DPA and Consent Order focus primarily on the Company's anti-fraud and anti-money laundering programs, including whether the Company had adequate controls to prevent third parties from using its systems to commit fraud. The Amended DPA amended and extended the original DPA entered into on November 9, 2012 by and between the Company and the Government. The DPA, Amended DPA and Consent Order are collectively referred to herein as the "Agreements." On February 25, 2020, the Company entered into an Amendment to and Extension of the DPA Agreement which extended the due date to November 8, 2020 for the final \$55.0 million payment due to the Government pursuant to the Amended DPA. On July 24, 2020, the Company entered into the Second Amendment to the Amendment to and Extension of the Deferred Prosecution Agreement which further extended the due date of the \$55.0 million payment to May 9, 2021 and also reduced the frequency of the reporting requirements under the Amended DPA from monthly to quarterly.

Under the Agreements, as amended, the Company agreed to, among other things, (1) pay an aggregate amount of \$125.0 million to the Government, of which \$70.0 million was paid in November 2018 and the remaining \$55.0 million was paid in April 2021, and is to be made available by the Government to reimburse consumers who were the victims of third-party fraud conducted through the Company's money transfer services and (2) continue to retain an independent compliance monitor until May 10, 2021 to review and assess actions taken by the Company under the Agreements to further enhance its compliance program. No separate payment to the FTC is required under the Agreements. If the Company fails to comply with the Agreements, it could face criminal prosecution, civil litigation, significant fines, damage awards or regulatory consequences which could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

On May 4, 2021, the Company, along with the Government filed the Joint Status Report with the United States District Court for the Middle District of Pennsylvania regarding the status of the DPA, as amended, previously entered into among the parties.

In the Joint Status Report, the parties confirmed that MoneyGram has satisfied its financial obligations under the DPA and that, pursuant to the terms of the DPA, the independent compliance monitor has certified to MoneyGram and the Government that MoneyGram's anti-fraud and anti-money laundering compliance program, including its policies and procedures, are reasonably designed and implemented to detect and prevent fraud and money laundering and to comply with the Bank Secrecy Act.

In addition, the Joint Status Report states that on May 10, 2021, MoneyGram, through its Chief Executive Officer and Chief Compliance Officer, intends to certify to the United States that the Company has fulfilled its obligations under the DPA, and that after the United States receives the required certifications from MoneyGram, and provided that the Company has otherwise complied with the DPA, the Government will move to dismiss the matter underlying the DPA within 45 days of May 10, 2021.

*NYDFS* — On June 22, 2018, the Company received a request for production of documents from the New York Department of Financial Services (the "NYDFS") related to the subject of the DPA and FTC matters described above. This request followed previous inquiries by the NYDFS regarding certain of our New York based agents. Following the June 22, 2018 request for production, the Company received and responded to several inquiries from the NYDFS related to this matter and has met with the NYDFS to discuss the matter. The NYDFS did not indicate what, if any, action it intended to take in connection with this matter, although it is possible that it could seek additional information, initiate civil litigation and/or seek to impose fines, damages or other regulatory consequences, any or all of which could have an adverse effect on the Company's business, financial condition, results of operations and cash flows. The Company is unable to predict the outcome, or the possible loss or range of loss, if any, that could be associated with this matter.

*CFPB* — On February 12, 2020, the Company received a Report of Examination ("ROE") from the Consumer Financial Protection Bureau ("CFPB") stating that previous findings from a 2019 exam were not remediated, and the matter would be referred to its Enforcement Unit. On March 18, 2020, the Company received a Civil Investigative Demand ("CID") from the CFPB's Enforcement Unit. On June 11, 2020, the Company provided a timely response to the ROE describing the remedial actions taken and that the findings have been substantially remediated. On August 21, 2020, the Company completed its production in response to the CID. On February 25, 2021, the CFPB provided MoneyGram with a Notice and Opportunity to Respond and Advise ("NORA") letter, documenting the CFPB's intent to take legal action against MoneyGram based on four alleged violations under the Remittance Rule, the Electronic Fund Transfer Act and the Consumer Financial Protection Act. MoneyGram provided the CFPB with its written response to the NORA letter on March 17, 2021. At this time, it is not possible to determine the outcome of this matter, or the significance, if any, to our business, financial condition or results of operations.

*Other Matters* — The Company is involved in various other government inquiries and other matters that arise from time to time. Management does not believe that after final disposition any of these other matters is likely to have a material adverse impact on the Company's financial condition, results of operations or cash flows.

**Actions Commenced by the Company:**

*Tax Litigation* — The IRS completed its examination of the Company's consolidated income tax returns through 2013 and issued Notices of Deficiency for 2005-2007 and 2009, and an Examination Report for 2008. The Notices of Deficiency and Examination Report disallow, among other items, approximately \$900.0 million of ordinary deductions on securities losses in the 2007, 2008 and 2009 tax returns. In May 2012 and December 2012, the Company filed petitions in the U.S. Tax Court ("Tax Court") challenging the 2005-2007 and 2009 Notices of Deficiency, respectively. In 2013, the Company reached a partial settlement with the IRS allowing ordinary loss treatment on \$186.9 million of deductions in dispute. In January 2015, the Tax Court granted the IRS's motion for summary judgment upholding the remaining adjustments in the Notices of Deficiency. The Company filed a notice of appeal with the Tax Court on July 27, 2015 for an appeal to the U.S. Court of Appeals for the Fifth Circuit ("Fifth Circuit"). Oral arguments were held before the Fifth Circuit on June 7, 2016, and on November 15, 2016, the Fifth Circuit vacated the Tax Court's decision and remanded the case to the Tax Court for further proceedings. The Company filed a motion for summary judgment in the Tax Court on May 31, 2017. On August 23, 2017, the IRS filed a motion for summary judgment and its response to the Company's motion for summary judgment. The Tax Court directed the parties to agree to a joint stipulation of facts, which the parties filed with the court. Each party filed updated memorandums in support of its motions for summary judgment in the Tax Court. The Tax Court held oral arguments on this matter on September 9, 2019 and the Tax Court issued an opinion on December 3, 2019 denying the Company's motion for summary judgment. MoneyGram disagrees with many of the U.S. Tax Court's findings and filed a Notice of Appeal to the Fifth Circuit on February 21, 2020. The matter is currently pending in the Fifth Circuit and oral arguments were held before a Fifth Circuit panel of judges on March 1, 2021.

Although the Company believes that it has substantive tax law arguments in favor of its position and has appealed the ruling, the reassessment resulted in the Company determining that it is no longer more likely than not that its existing position will be sustained. Accordingly, the Company re-characterized certain deductions relating to securities losses to be capital in nature, rather than ordinary. The Company recorded a full valuation allowance against these losses in the quarter ended March 31, 2015. This change increased "Income tax expense" in the Condensed Consolidated Statements of Operations in the quarter ended March 31, 2015 by \$63.7 million. During 2015, the Company made payments to the IRS of \$61.0 million for federal tax payments and associated interest related to the matter. The November 2016 Fifth Circuit decision to remand the case back to the Tax Court did not change the Company's assessment regarding the likelihood of whether these deductions would ultimately be sustained. Accordingly, no change in the valuation allowance was made for this matter as of March 31, 2021.

Pending the ultimate outcome of the Tax Court proceeding, the Company may be required to file amended state returns and make additional cash payments up to \$21.4 million for various state taxes on amounts that have previously been accrued. The Company filed a Notice of Appeal to the Fifth Circuit on February 21, 2020, and has not yet received a decision on the matter.

### Note 13 — Loss Per Common Share

For all periods in which they are outstanding, the shares of D Stock and the second lien warrants are included in the weighted-average number of common shares outstanding utilized to calculate basic earnings per common share because the shares of D Stock are deemed a common stock equivalent and the second lien warrants are considered outstanding common shares.

The following table summarizes the weighted-average share amounts used in calculating loss per common share:

<i>(Amounts in millions)</i>	Three Months Ended March 31,	
	2021	2020
Basic and diluted common shares outstanding	79.6	77.4

Potential common shares issuable to employees upon exercise or conversion of shares under the Company's stock-based compensation plans and upon exercise of the Ripple Warrants (as defined below) are excluded from the computation of diluted earnings per common share when the effect would be anti-dilutive. All potential common shares are anti-dilutive in periods of net loss available to common stockholders. Stock options are anti-dilutive when the exercise price of these instruments is greater than the average market price of the Company's common stock for the period, regardless of whether the Company is in a period of net loss available to common shareholders.

The following table summarizes the weighted-average potential common shares excluded from diluted loss per common share as their effect would be anti-dilutive:

<i>(Amounts in millions)</i>	Three Months Ended March 31,	
	2021	2020
Shares related to stock options	0.3	0.4
Shares related to restricted stock units	4.8	2.8
Shares related to Ripple Warrants	4.3	6.0
Shares excluded from the computation	9.4	9.2

### Note 14 — Segment Information

The Company's reporting segments are primarily organized based on the nature of products and services offered and the type of consumer served. The Company has two reporting segments: Global Funds Transfer and Financial Paper Products. See Note 1 — *Description of the Business and Basis of Presentation* for further discussion on our segments. Walmart Inc. ("Walmart") is our only agent, for both the Global Funds Transfer segment and the Financial Paper Products segment, that accounts for more than 10% of total revenue. For the three months ended March 31, 2021 and 2020, Walmart accounted for 12% and 14%, respectively, of total revenue.

The following table is a summary of the total revenue by segment:

<i>(Amounts in millions)</i>	Three Months Ended March 31,	
	2021	2020
Global Funds Transfer revenue		
Money transfer revenue	\$ 285.4	\$ 255.9
Bill payment revenue	10.8	13.4
Total Global Funds Transfer revenue	296.2	269.3
Financial Paper Products revenue		
Money order revenue	10.4	12.1
Official check revenue	3.5	9.5
Total Financial Paper Products revenue	13.9	21.6
Total revenue	\$ 310.1	\$ 290.9

The following table is a summary of the gross profit by segment:

<i>(Amounts in millions)</i>	Three Months Ended March 31,	
	2021	2020
Global Funds Transfer gross profit	\$ 131.1	\$ 118.0
Financial Paper Products gross profit	13.7	18.5
Total gross profit	\$ 144.8	\$ 136.5

The following table is a summary of the operating income by segment and detail of the loss before income taxes:

<i>(Amounts in millions)</i>	Three Months Ended March 31,	
	2021	2020
Global Funds Transfer operating income	\$ 6.0	\$ 6.7
Financial Paper Products operating income	2.5	7.0
Total segment operating income	8.5	13.7
Other operating loss	(0.1)	(0.6)
Total operating income	8.4	13.1
Interest expense	22.3	23.8
Other non-operating expense	1.0	1.1
Loss before income taxes	\$ (14.9)	\$ (11.8)

The following table sets forth assets by segment:

<i>(Amounts in millions)</i>	March 31, 2021	December 31, 2020
Global Funds Transfer	\$ 1,370.7	\$ 1,397.2
Financial Paper Products	3,182.5	3,247.4
Other	34.4	29.5
Total assets	\$ 4,587.6	\$ 4,674.1

### Note 15 — Revenue Recognition

The following table is a summary of the Company's revenue streams disaggregated by services and products for each segment and timing of revenue recognition for such services and products excluding other revenue:

<i>(Amounts in millions)</i>	Three Months Ended March 31,	
	2021	2020
Global Funds Transfer revenue		
Money transfer fee revenue	\$ 279.2	\$ 251.5
Bill payment services fee revenue	10.8	13.4
Other revenue	6.2	4.4
Total Global Funds Transfer fee and other revenue	296.2	269.3
Financial Paper Products revenue		
Money order fee revenue	1.7	2.0
Official check outsourcing services fee revenue	1.8	2.0
Other revenue	8.4	7.5
Total Financial Paper Products fee and other revenue	11.9	11.5
Investment revenue	2.0	10.1
Total revenue	\$ 310.1	\$ 290.9
Timing of revenue recognition:		
Services and products transferred at a point in time	\$ 291.7	\$ 266.9
Products transferred over time	1.8	2.0
Total revenue from services and products	293.5	268.9
Investment revenue	2.0	10.1
Other revenue	14.6	11.9
Total revenue	\$ 310.1	\$ 290.9

Due to the short-term nature of the Company's services and products, the amount of contract assets and liabilities on the Condensed Consolidated Balance Sheets as of March 31, 2021 and December 31, 2020, is negligible. Assets for unsettled money transfers, money orders and consumer payments are included in "Settlement assets" with a corresponding liability

recorded in "Payment service obligations" on the Condensed Consolidated Balance Sheets. For more information on these assets and liabilities see Note 3 — *Settlement Assets and Payment Service Obligations*.

---

**Note 16 — Related Parties**

---

On March 7, 2021, the Company and Ripple signed an agreement to terminate, effective immediately, the commercial agreement between the parties that was originally entered into in June of 2019. The Company had ceased transacting under the commercial agreement in early December 2020. The Company did not resume transacting under the commercial agreement from that period through the termination date and as such, will not receive any market development fees in 2021.

---

**Note 17 — Subsequent Events**

---

*DPA* — On May 4, 2021, the Company, along with the Government filed a Joint Status Report (the "Joint Status Report") with the United States District Court for the Middle District of Pennsylvania regarding the status of the DPA, as amended, previously entered into among the parties.

In the Joint Status Report, the parties confirmed that MoneyGram has satisfied its financial obligations under the DPA and that, pursuant to the terms of the DPA, the independent compliance monitor has certified to MoneyGram and the Government that MoneyGram's anti-fraud and anti-money laundering compliance program, including its policies and procedures, are reasonably designed and implemented to detect and prevent fraud and money laundering and to comply with the Bank Secrecy Act.

In addition, the Joint Status Report states that on May 10, 2021, MoneyGram, through its Chief Executive Officer and Chief Compliance Officer, intends to certify to the United States that the Company has fulfilled its obligations under the DPA, and that after the United States receives the required certifications from MoneyGram, and provided that the Company has otherwise complied with the DPA, the Government will move to dismiss the matter underlying the DPA within 45 days of May 10, 2021.

*OFAC* — On April 21, 2021, the Company entered into a settlement agreement with OFAC to settle all pending matters, which included a nominal payment by the Company to OFAC. In assessing this nominal penalty, OFAC acknowledged several mitigating factors including that MoneyGram discovered and voluntarily disclosed the apparent violations as part of its ongoing efforts to improve its compliance program, MoneyGram's remedial actions, significant investments in compliance-related functions, and MoneyGram's cooperation with OFAC's investigation.

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

The purpose of this Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is to provide an understanding of MoneyGram International, Inc.'s ("MoneyGram," the "Company," "we," "us" and "our") financial condition, results of operations and cash flows by focusing on changes in certain key measures. This MD&A is provided as a supplement to, and should be read in conjunction with, our Unaudited Condensed Consolidated Financial Statements and related Notes included in this Quarterly Report on Form 10-Q and the Consolidated Financial Statements and Notes included in our Annual Report on Form 10-K for the year ended December 31, 2020. This discussion contains forward-looking statements that involve risks and uncertainties. MoneyGram's actual results could differ materially from those anticipated due to various risks and factors discussed above under *Cautionary Statements Regarding Forward-Looking Statements* and elsewhere in this Quarterly Report on Form 10-Q and in our 2020 Form 10-K, as well as any additional risk factors that may be described in our other periodic filings with the SEC from time to time.

The comparisons presented in this MD&A refer to the same period in the prior year, unless otherwise noted. This MD&A is organized in the following sections:

- Overview
- Results of Operations
- Liquidity and Capital Resources
- Critical Accounting Policies and Estimates

### OVERVIEW

MoneyGram is a global leader in cross-border P2P payments and money transfers. Our consumer-centric capabilities enable the quick and affordable transfer of money to family and friends around the world. Whether through online and mobile platforms, integration with mobile wallets, kiosks, or any one of the hundreds of thousands of agent locations in over 200 countries and territories, with 94 now digitally enabled, the innovative MoneyGram platform connects consumers in ways designed to be convenient for them. In the U.S. and in select countries and territories, we also provide bill payment services, issue money orders and process official checks. We primarily offer our services and products through third-party agents and through our direct-to-consumer digital business. Third-party agents include retail chains, independent retailers, post offices and financial institutions. Digital solutions include moneygram.com, mobile solutions, virtual agents, account deposit and wallets, card solutions such as Visa Direct and kiosk-based services. MoneyGram also has a limited number of Company-operated retail locations.

We manage our revenue and related commissions expense through two reporting segments: Global Funds Transfer and Financial Paper Products. The Global Funds Transfer segment provides global money transfer services in more than 410,000 agent locations. Our global money transfer services are our primary revenue driver, accounting for 92% of total revenue for the three months ended March 31, 2021. The Global Funds Transfer segment also provides bill payment services to consumers through substantially all of our money transfer agent locations in the U.S., at certain agent locations in select Caribbean and European countries and through our digital solutions. The Financial Paper Products segment provides money order services to consumers through retail locations and financial institutions located in the U.S. and Puerto Rico and provides official check services to financial institutions in the U.S. Corporate expenses that are not related to our segments' performance are excluded from operating income for Global Funds Transfer and Financial Paper Products segments.

### COVID-19 Update

#### *General Economic Conditions and MoneyGram Impact*

The global spread and unprecedented impact of COVID-19 is complex and ever-evolving. In March 2020, the World Health Organization declared COVID-19 a global pandemic and recommended extensive containment and mitigation measures worldwide. The outbreak reached all of the regions in which we do business. Since the outbreak, we have seen the profound effect it is having on human health, the global economy and society at large. Public and private sector policies aimed at reducing the transmission of COVID-19 have varied significantly in different regions of the world, but have resulted in shelter-in-place orders and the mandatory closing of various businesses across many of the countries in which we operate.

It is impossible to predict the scope and duration of the impact of the COVID-19 pandemic as the situation has been different on a country by country basis. The impact of COVID-19 in 2021 and beyond will depend on the duration and severity of economic conditions resulting from the crisis, its impact on public health, public policy actions, expansion and duration of returns to lockdowns and shelter-in-place orders by governments, new initiatives undertaken by the Company and changes in consumer behavior over the long term.

We continue to place a priority on business continuity and contingency planning, including for potential extended closures of any key agents or disruptions related to our contractual counterparties that might arise as a result of COVID-19. While we have not experienced material disruptions in our service offerings aside from temporary agent location closures, it is possible that further disruptions could occur as the pandemic continues. We cannot reasonably estimate the potential impact or timing of those events, and we may not be able to mitigate such impact.

### **Business Environment and Recent Developments**

MoneyGram reported positive developments as it nears the end of the term of its DPA. On May 4, 2021, the Company, along with the Government filed the Joint Status Report with the United States District Court for the Middle District of Pennsylvania regarding the status of the DPA, as amended, previously entered into among the parties.

In the Joint Status Report, the parties confirmed that MoneyGram has satisfied its financial obligations under the DPA and that, pursuant to the terms of the DPA, the independent compliance monitor has certified to MoneyGram and the Government that MoneyGram's anti-fraud and anti-money laundering compliance program, including its policies and procedures, are reasonably designed and implemented to detect and prevent fraud and money laundering and to comply with the Bank Secrecy Act.

In addition, the Joint Status Report states that on May 10, 2021, MoneyGram, through its Chief Executive Officer and Chief Compliance Officer, intends to certify to the United States that the Company has fulfilled its obligations under the DPA, and that after the United States receives the required certifications from MoneyGram, and provided that the Company has otherwise complied with the DPA, the Government will move to dismiss the matter underlying the DPA within 45 days of May 10, 2021.

The competitive environment continues to change as both established players and new, digital-only entrants work to innovate and deliver an affordable and convenient customer experience to win market share. Our competitors include a small number of large money transfer and bill payment providers, financial institutions, banks and a large number of small niche money transfer service providers that serve select regions. We generally compete on the basis of customer experience, price, agent commissions, brand awareness, and convenience.

As of March 31, 2021, the Company had digital capabilities through which consumers can send and receive money in 94 countries around the world. Digital revenue for the three months ended March 31, 2021 was \$60.4 million, or 21% of money transfer revenue, compared to \$34.1 million or 13% for the same period in the prior year. Total digital money transfer transactions represented 31% and 19% of money transfer transactions for the three months ended March 31, 2021 and 2020, respectively.

We continue to invest in innovative products and services, such as our leading mobile app and integrations with mobile wallets, and account deposit services, to position the Company to meet consumer needs. Furthermore, our partnership with Visa Direct provides consumers with additional choices on how to receive funds across a broader number of countries. We believe that combining our cash and digital capabilities enables us to differentiate against digital-only competitors who are not able to serve a significant portion of the remittance market that relies on cash.

On January 19, 2021, Walmart informed us of a new agreement that would enable Western Union money transfer, bill payment and money order services at U.S. Walmart locations. For the three months ended March 31, 2021, Walmart international marketplace represented less than 9% of total revenue. Currently, it is difficult to predict exactly how Western Union's participation in the Walmart marketplace will impact current transaction volumes and profit margins. Any impact to financial results will depend on a variety of factors including the timing of the rollout of the Western Union products into Walmart Stores, how the products are placed at the point-of-sale and how the competitive price environment develops.

In addition to the changes in the competitive environment, MoneyGram's global compliance requirements have remained complex, which has affected our top line growth and profit margin in certain markets. We continue to enhance and automate our compliance tools to comply with various government and other regulatory programs around the world, as well as address Corridor-specific risks associated with fraud and money laundering.

On January 11, 2021, MoneyGram committed to an operational plan to reduce overall operating expenses, including the elimination of approximately 110 positions across the Company and certain actions to reduce other ongoing operating expenses, including real estate-related expenses (the "2021 Organizational Realignment"). The actions are designed to streamline operations and structure the Company in a way that will be more agile and aligned around its plan to execute market-specific strategies. The total expected cost of the 2021 Organizational Realignment is approximately \$9.7 million, which includes approximately \$6.2 million in one-time cash severance expenditures and \$3.5 million in real estate-related and other cash expenditures. The Company expects the 2021 Organizational Realignment to reduce operating expenses by approximately \$18.0 million on an annualized basis. The workforce reduction portion of the 2021 Organizational Realignment was substantially completed in the first quarter of 2021 and the Company anticipates related cash expenditures to be substantially paid out by the end of 2021. The Company's estimates are based on a number of assumptions. Actual results may differ materially, and additional charges not currently expected may be incurred in connection with, or as a result of, the 2021 Organizational Realignment.

On March 7, 2021, the Company and Ripple signed an agreement to terminate, effective immediately, the commercial agreement between the parties that was originally entered into in June of 2019. The Company had ceased transacting under the commercial agreement in early December 2020. The Company did not resume transacting under the commercial agreement from that period through the termination date and as such, will not receive any market development fees in 2021.

### **Anticipated Trends**

This discussion of trends expected to impact our business in 2021 is based on information presently available and reflects certain assumptions, including assumptions regarding future economic conditions. Differences in actual economic conditions compared with our assumptions could have a material impact on our results. See *Cautionary Statements Regarding Forward-Looking Statements* and Part II, Item 1A, *Risk Factors* of this Quarterly Report on Form 10-Q and Part I, Item 1A, *Risks Factors* of our 2020 Form 10-K for additional factors that could cause results to differ materially from those contemplated by the following forward-looking statements.

In 2021, MoneyGram focused on positioning the Company to better compete by building and expanding customer-direct capabilities, accelerating digital growth, expanding through partnerships, and modernizing operations.

Through 2021, we believe the industry will continue to see a number of trends: the growth of digital transactions, aggressive pricing strategies, the importance of customer experience, and continuing global economic weakness. To position the Company to respond to these trends, we are continuing to focus on our strategy to deliver a differentiated customer experience, scale our digital properties, be the preferred partner for agents in cross-border transactions, capture new revenue by monetizing our capabilities and have continuous improvement in the cost structure and efficiency of the Company. In 2021, we will continue to broaden our global digital footprint through innovative digital partnerships while continuing to focus on enhancing our direct to account reach and real-time deposit capabilities.

In the first quarter of 2021, the Company announced the following:

- The expansion of our Visa Direct relationship through Checkout.com. The new partnership provides our consumers with near real-time deposit capabilities to Visa debit card holders in 25 countries and 575 Corridors.
- The launch of a real-time peer-to-peer payment solution to Vietnam with our partnership with Visa, Sacombank and other leading bank across the country, enabling customers to transfer money from the United States, United Kingdom and 18 European countries.
- A five-year extension to our partnership with Ooredoo Qatar, the leading telecommunications operator in Qatar. The renewal enables MoneyGram customers to continue to send money in near real-time to family and friends through Ooredoo Money Wallet, a virtual account that allows customers to easily deposit, access or withdraw money.
- We signed an agreement to launch our leading international money transfer capabilities on Pay+, a mobile wallet powered by Ooredoo Oman and the National Bank of Oman. This partnership will give customers the ability to use the mobile wallet to transfer money in near real-time with access to the MoneyGram global distribution network.
- The launch of MoneyGram as a Service, a new business line that enables other companies to access its leading global money transfer network through its powerful API-driven infrastructure and best-in-class technology. With this launch, enterprise customers can now leverage the Company's core capabilities as productized service offerings to meet their various business needs and quickly add services and scale.

We expect pricing pressure and competition to be continuous challenges through 2021. Currency volatility, liquidity pressure on central banks, immigration limitations, and pressure on labor markets in specific countries may also continue to impact our business.

For our Financial Paper Products segment, we expect the decline in overall paper-based transactions to continue primarily due to continued gradual migration by customers to other payment methods. Our investment revenue, which consists primarily of interest income generated through the investment of cash balances received from the sale of our Financial Paper Products, is dependent on the prevailing interest rate environment in the United States. The Company would see a positive impact on its investment revenue if U.S. interest rates rise, and conversely, a negative impact if interest rates decline.

## Financial Measures and Key Metrics

This Quarterly Report on Form 10-Q includes financial information prepared in accordance with U.S. GAAP as well as certain non-GAAP financial measures that we use to assess our overall performance.

**U.S. GAAP Measures** — We utilize certain financial measures prepared in accordance with U.S. GAAP to assess the Company's overall performance. These measures include fee and other revenue, commissions and other fee expense, fee and other revenue less commissions, gross profit, operating income and operating margin.

**Non-GAAP Measures** — Generally, a non-GAAP financial measure is a numerical measure of financial performance, financial position or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with U.S. GAAP. The non-GAAP financial measures should be viewed as a supplement to, and not a substitute for, financial measures presented in accordance with U.S. GAAP. We strongly encourage investors and stockholders to review our financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure. While we believe that these metrics enhance investors' understanding of our business, these metrics are not necessarily comparable with similarly named metrics of other companies. The following are non-GAAP financial measures we use to assess our overall performance:

**EBITDA** (Earnings before interest, taxes, depreciation and amortization, including agent signing bonus amortization).

**Adjusted EBITDA** (EBITDA adjusted for certain significant items) — Adjusted EBITDA does not reflect cash requirements necessary to service interest or principal payments on our indebtedness or tax payments that may result in a reduction in cash available.

**Adjusted Free Cash Flow** (Adjusted EBITDA less cash interest, cash taxes, cash payments for capital expenditures and cash payments for agent signing bonuses) — Adjusted Free Cash Flow does not reflect cash payments related to the adjustment of certain significant items in Adjusted EBITDA.

**Constant Currency** — Constant currency metrics assume that amounts denominated in non-U.S. dollars are translated to the U.S. dollar at rates consistent with those in the prior year.

**RESULTS OF OPERATIONS**

The following table is a summary of the results of operations:

<i>(Amounts in millions, except percentages)</i>	<b>Three Months Ended March 31,</b>		<b>% Change</b>
	<b>2021</b>	<b>2020</b>	
<b>Revenue</b>			
Fee and other revenue	\$ 308.1	\$ 280.8	10 %
Investment revenue	2.0	10.1	(80)%
Total revenue	310.1	290.9	7 %
<b>Cost of revenue</b>			
Commissions and other fee expense	149.9	143.2	5 %
Investment commissions expense	0.2	3.0	(93)%
Direct transaction expense	15.2	8.2	85 %
Total cost of revenue	165.3	154.4	7 %
Gross profit	144.8	136.5	6 %
<b>Operating expenses</b>			
Compensation and benefits	62.2	53.4	16 %
Transaction and operations support	43.4	38.0	14 %
Occupancy, equipment and supplies	15.5	14.9	4 %
Depreciation and amortization	15.3	17.1	(11)%
Total operating expenses	136.4	123.4	11 %
Operating income	8.4	13.1	(36)%
<b>Other expenses</b>			
Interest expense	22.3	23.8	(6)%
Other non-operating expense	1.0	1.1	(9)%
Total other expenses	23.3	24.9	(6)%
Loss before income taxes	(14.9)	(11.8)	26 %
Income tax expense	0.5	9.7	(95)%
Net loss	\$ (15.4)	\$ (21.5)	(28)%

## Revenues

The following table is a summary of the Company's revenues:

<i>(Amounts in millions, except percentages)</i>	Three Months Ended March 31,			
	2021	Percent of Total Revenue	2020	Percent of Total Revenue
Global Funds Transfer fee and other revenue	\$ 296.2	95 %	\$ 269.3	93 %
Financial Paper Product fee and other revenue	11.9	4 %	11.5	4 %
Investment revenue	2.0	1 %	10.1	3 %
Total revenue	<u>\$ 310.1</u>	100 %	<u>\$ 290.9</u>	100 %

For the three months ended March 31, 2021, total revenue increased by \$19.2 million. See the "Segments Results" section below for a detailed discussion of revenues by segment.

## Cost of Revenue

The following table is a summary of the cost of revenue:

<i>(Amounts in millions, except percentages)</i>	Three Months Ended March 31,			
	2021	Percent of Total Revenue	2020	Percent of Total Revenue
Commissions and other fee expense	\$ 149.9	48 %	\$ 143.2	49 %
Investment commissions expense	0.2	— %	3.0	1 %
Direct transaction expense	15.2	5 %	8.2	3 %
Total cost of revenue	<u>\$ 165.3</u>	53 %	<u>\$ 154.4</u>	53 %

For the three months ended March 31, 2021, total cost of revenue increased by \$10.9 million due to an increase in commissions and direct transaction expenses which are discussed in the "Segments Results" section below.

## Operating Expenses

The following table is a summary of the operating expenses:

<i>(Amounts in millions, except percentages)</i>	Three Months Ended March 31,			
	2021	Percent of Total Revenue	2020	Percent of Total Revenue
Compensation and benefits	\$ 62.2	20 %	\$ 53.4	18 %
Transaction and operations support	43.4	14 %	38.0	13 %
Occupancy, equipment and supplies	15.5	5 %	14.9	5 %
Depreciation and amortization	15.3	5 %	17.1	6 %
Total operating expenses	<u>\$ 136.4</u>	44 %	<u>\$ 123.4</u>	42 %

For the three months ended March 31, 2021, total operating expenses increased by \$13.0 million. See the "Segments Results" section below for more information.

### Compensation and Benefits

For the three months ended March 31, 2021, compensation and benefits increased by \$8.8 million primarily driven by severance expenses.

### Transaction and Operations Support

Transaction and operations support primarily includes marketing, professional fees and other outside services, telecommunications, agent support costs, including forms related to our products, non-compensation employee costs, including training, travel and relocation costs, non-employee director stock-based compensation expense, bank charges, the impact of non-U.S. dollar exchange rate movements on our monetary transactions and assets and liabilities denominated in a currency other than the U.S. dollar, and Ripple market development fees and related transaction and trading expenses.

For the three months ended March 31, 2021, transaction and operations support increased by \$5.4 million primarily due to the elimination of the \$12.1 million net benefit from Ripple market development fees generated for the same period in the prior year due to the halting of transactions under the commercial agreement with Ripple effective early December 2020.

#### Occupancy, Equipment and Supplies

Occupancy, equipment and supplies expense includes facilities rent and maintenance costs, software and equipment maintenance costs, freight and delivery costs and supplies. For the three months ended March 31, 2021, occupancy, equipment and supplies expense remained relatively flat.

#### Depreciation and Amortization

Depreciation and amortization includes depreciation on computer hardware and software, agent signage, point of sale equipment, capitalized software development costs, office furniture, equipment and leasehold improvements and amortization of intangible assets. For three months ended March 31, 2021, depreciation and amortization decreased by \$1.8 million primarily due to a decrease in agent signage.

### **Segments Results**

#### Global Funds Transfer

The following table sets forth our Global Funds Transfer segment results of operations for the three months ended March 31, 2021:

<i>(Amounts in millions)</i>	Three Months Ended March 31,		2021 vs 2020
	2021	2020	
Money transfer revenue	\$ 285.4	\$ 255.9	\$ 29.5
Bill payment revenue	10.8	13.4	(2.6)
Total Global Funds Transfer revenue	\$ 296.2	\$ 269.3	\$ 26.9
Commissions and other fee and direct transaction expenses	\$ 165.1	\$ 151.3	\$ 13.8

#### *Money Transfer Revenue*

For the three months ended March 31, 2021, money transfer revenue increased by \$29.5 million, primarily due to an increase in money transfer transaction volume driven by the growth of our Digital Channel and the impact of foreign exchange rates, partially offset by the decrease in fees per transaction.

#### *Bill Payment Revenue*

For the three months ended March 31, 2021, bill payment revenue decreased by \$2.6 million, or 19%, due to increased competition in the Walmart marketplace and continued impact of the COVID-19 pandemic.

#### *Commissions and Other Fee Expense*

For the three months ended March 31, 2021, commissions and other fee expense of \$149.9 million, increased by \$6.7 million, primarily due to an increase in walk-in money transfer services as restrictions on mobility eased.

#### *Direct Transaction Expense*

For the three months ended March 31, 2021, direct transaction expense of \$15.2 million, increased by \$7.0 million, primarily due to higher volumes in transactions associated with our Digital Channel.

### Financial Paper Products

The following table sets forth our Financial Paper Products segment results of operations:

<i>(Amounts in millions)</i>	Three Months Ended March 31,		2021 vs 2020
	2021	2020	
Money order revenue	\$ 10.4	\$ 12.1	\$ (1.7)
Official check revenue	3.5	9.5	(6.0)
Total Financial Paper Products revenue	\$ 13.9	\$ 21.6	\$ (7.7)
Investment commissions expense	\$ 0.2	\$ 3.1	\$ (2.9)

For the three months ended March 31, 2021, Financial Paper Products revenue decreased by \$7.7 million, or 36%, primarily due to a decline in investment revenue as a result of substantially lower prevailing interest rates driven by a reduction in the federal funds rate in response to the COVID-19 pandemic.

For the three months ended March 31, 2021, commissions expense for Financial Paper Products decreased by 94%, due to the decline in investment commissions expense driven by lower interest rates.

### **Operating Income and Operating Margin**

The following table provides a summary overview of operating income and operating margin:

<i>(Amounts in millions, except percentages)</i>	Three Months Ended March 31,		2021 vs 2020
	2021	2020	
Operating income:			
Global Funds Transfer	\$ 6.0	\$ 6.7	\$ (0.7)
Financial Paper Products	2.5	7.0	(4.5)
Total segment operating income	8.5	13.7	(5.2)
Other	(0.1)	(0.6)	0.5
Total operating income	\$ 8.4	\$ 13.1	\$ (4.7)
Total operating margin	2.7 %	4.5 %	(1.8)%
Global Funds Transfer	2.0 %	2.5 %	(0.5)%
Financial Paper Products	18.0 %	32.4 %	(14.4)%

For the three months ended March 31, 2021, operating income for the Global Funds Transfer and Financial Paper Products segments decreased by \$5.2 million, as a result of the factors discussed in the "Segments Results" section above.

For the three months ended March 31, 2021, other operating loss decreased due to ongoing cost-savings initiatives.

### **Other Expenses**

For the three months ended March 31, 2021, total other expenses decreased by \$1.6 million, primarily due the decrease in interest expense driven by principal payments on our indebtedness.

### **Income Taxes**

<i>(Amounts in millions)</i>	Three Months Ended March 31,	
	2021	2020
Provision for income taxes	\$ 0.5	\$ 9.7

For the three months ended March 31, 2021, the Company recognized an income tax expense of \$0.5 million on a pre-tax loss of \$14.9 million primarily due to non-deductible expenses, foreign taxes net of federal income tax benefits, an increase in valuation allowance, U.S. taxation of foreign earnings and state taxes, all of which were partially offset by U.S. general business credits and recognition of excess tax benefits on share-based compensation. See Note 11 — *Income Taxes* for additional information related to our unrecognized tax benefits.

**EBITDA, Adjusted EBITDA, Adjusted Free Cash Flow and Constant Currency (Non-GAAP Measures)**

The following table is a reconciliation of our non-GAAP financial measures to the related GAAP financial measures:

<i>(Amounts in millions, except percentages)</i>	<b>Three Months Ended March 31,</b>		<b>Change</b>
	<b>2021</b>	<b>2020</b>	
Income (loss) before income taxes	\$ (14.9)	\$ (11.8)	\$ (3.1)
Interest expense	22.3	23.8	(1.5)
Depreciation and amortization	15.3	17.1	(1.8)
Signing bonus amortization	14.3	12.5	1.8
EBITDA	37.0	41.6	(4.6)
Significant items impacting EBITDA:			
Restructuring and reorganization costs	5.9	0.5	5.4
Direct monitor costs	3.8	4.8	(1.0)
Stock-based, contingent and incentive compensation	1.8	2.0	(0.2)
Compliance enhancement program	1.1	2.0	(0.9)
Severance and related costs	0.2	0.2	—
Legal and contingent matters	0.1	0.4	(0.3)
Adjusted EBITDA	\$ 49.9	\$ 51.5	\$ (1.6)
Adjusted EBITDA change, as reported	(3)%		
Adjusted EBITDA change, constant currency adjusted	(11)%		
Adjusted EBITDA	\$ 49.9	\$ 51.5	\$ (1.6)
Cash payments for interest	(11.9)	(17.6)	5.7
Cash payments for taxes, net of refunds	2.7	(2.1)	4.8
Cash payments for capital expenditures	(11.2)	(10.1)	(1.1)
Cash payments for agent signing bonuses	(13.0)	(25.0)	12.0
Adjusted Free Cash Flow	\$ 16.5	\$ (3.3)	\$ 19.8

See "Results of Operations" and "Analysis of Cash Flows" sections for additional information regarding these changes.

**LIQUIDITY AND CAPITAL RESOURCES**

We have various resources available for purposes of managing liquidity and capital needs, including our investment portfolio, credit facilities and letters of credit. We refer to our cash and cash equivalents, settlement cash and cash equivalents, interest-bearing investments and available-for-sale investments collectively as our "investment portfolio." The Company utilizes cash and cash equivalents in various liquidity and capital assessments.

**Cash and Cash Equivalents, Settlement Assets and Payment Service Obligations**

The following table shows the components of the Company's cash and cash equivalents and settlement assets:

<i>(Amounts in millions)</i>	March 31, 2021	December 31, 2020
Cash and cash equivalents	\$ 152.8	\$ 196.1
Settlement assets:		
Settlement cash and cash equivalents	1,846.4	1,883.2
Receivables, net	824.9	825.0
Interest-bearing investments	992.3	991.2
Available-for-sale investments	3.4	3.5
Total settlement assets	<u>\$ 3,667.0</u>	<u>\$ 3,702.9</u>
Payment service obligations	<u>\$ (3,667.0)</u>	<u>\$ (3,702.9)</u>

Our primary sources of liquidity include cash flows generated by the sale of our payment instruments, our cash and cash equivalents and interest-bearing investment balances, and proceeds from our investment portfolio. Our primary operating liquidity needs are related to the settlement of payment service obligations to our agents and financial institution customers, general operating expenses and debt service.

To meet our payment service obligations at all times, we must have sufficient highly-liquid assets and be able to move funds globally on a timely basis. On average, we receive in and pay out a similar amount of funds on a daily basis to collect and settle the principal amount of our payment instruments sold and related fees and commissions with our end-consumers and agents. This pattern of cash flows allows us to settle our payment service obligations through existing cash balances and ongoing cash generation rather than liquidating investments or utilizing our First Lien Revolving Credit Facility. We have historically generated, and expect to continue generating, sufficient cash flows from daily operations to fund ongoing operational needs.

We preposition cash in various countries and currencies to facilitate settlement of transactions. We also maintain funding capacity beyond our daily operating needs to provide a cushion through the normal fluctuations in our payment service obligations, as well as to provide working capital for the operational and growth requirements of our business. We believe we have sufficient liquid assets and funding capacity to operate and grow our business for the next 12 months. Should our liquidity needs exceed our operating cash flows, we believe that external financing sources, including availability under our credit facilities, will be sufficient to meet our anticipated funding requirements.

**Cash and Cash Equivalents and Interest-bearing Investments**

To ensure we maintain adequate liquidity to meet our payment service obligations at all times, we keep a significant portion of our investment portfolio in cash and cash equivalents and interest-bearing investments at financial institutions rated A- or better by two of the following three rating agencies: Moody's, S&P and Fitch; and in AAA rated U.S. government money market funds. If the rating agencies have split ratings, the Company uses the lower of the highest two out of three ratings across the agencies for disclosure purposes. If the institution has only two ratings, the Company uses the lower of the two ratings for disclosure purposes. As of March 31, 2021, cash and cash equivalents (including unrestricted and settlement cash and cash equivalents) and interest-bearing investments totaled \$3.0 billion. Cash and cash equivalents consist of interest-bearing deposit accounts, non-interest-bearing transaction accounts and money market securities; interest-bearing investments consist of time deposits and certificates of deposit with maturities of up to 24 months.

**Available-for-sale Investments**

Our investment portfolio includes \$3.4 million of available-for-sale investments as of March 31, 2021. U.S. government agency residential mortgage-backed securities comprise \$2.8 million of our available-for-sale investments, while asset-backed and other securities compose the remaining \$0.6 million.

## Credit Facilities

The following is a summary of the Company's outstanding debt:

<i>(Amounts in millions, except percentages)</i>	March 31, 2021	December 31, 2020
7.00% first lien credit facility due 2023	\$ 633.7	\$ 635.3
13.00% second lien credit facility due 2024	254.6	254.6
Senior secured credit facilities	888.3	889.9
Unamortized debt issuance costs and debt discounts	(29.5)	(32.1)
<b>Total debt, net</b>	<b>\$ 858.8</b>	<b>\$ 857.8</b>

As of March 31, 2021, the Company had no borrowings and nominal outstanding letters of credit under its revolving credit facility and had \$34.9 million of availability. The First Lien Credit Agreement provides that in the event the Company's cash balance exceeds \$130.0 million at the end of any month, the Company would be required to use such excess cash to pay any outstanding obligations to the revolving lenders under the First Lien Revolving Credit Facility, and that the Company may not draw on the First Lien Revolving Credit Facility to the extent that the Company would have a cash balance in excess of \$130.0 million after giving effect to such borrowing. As of March 31, 2021, the Company had cash and cash equivalents of \$152.8 million. The effective interest rate on the First Lien Credit Facility remained flat and was 7.00% as of March 31, 2021 and December 31, 2020. See Note 7 — *Debt* of the Notes to the Unaudited Condensed Consolidated Financial Statements for additional disclosure related to the credit facilities.

## Credit Ratings

As of March 31, 2021, our credit ratings from Moody's and S&P were B3 with a negative outlook and B with a stable outlook, respectively. The Company does not have rating triggers associated with its credit agreements or its regulatory capital requirements.

## Analysis of Cash Flows

<i>(Amounts in millions)</i>	Three Months Ended March 31,		2021 vs 2020
	2021	2020	
Net cash used in operating activities	\$ (26.9)	\$ (26.4)	\$ (0.5)
Net cash used in investing activities	(11.2)	(10.1)	(1.1)
Net cash (used in) provided by financing activities	(5.2)	20.7	(25.9)
Net change in cash and cash equivalents	<u>\$ (43.3)</u>	<u>\$ (15.8)</u>	<u>\$ (27.5)</u>

### Cash Flows from Operating Activities

For the three months ended March 31, 2021, net cash used in operating cash activities remained relatively flat.

### Cash Flows from Investing Activities

For the three months ended March 31, 2021, net cash used in investing activities increased, primarily due to an increase in capital expenditures.

### Cash Flows from Financing Activities

During the three months ended March 31, 2021, net cash used in financing activities increased, primarily due to no borrowings on our First Lien Revolving Credit Facility.

## **CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

The preparation of financial statements in conformity with GAAP requires estimates and assumptions that affect the reported amounts and related disclosures in the Unaudited Condensed Consolidated Financial Statements. Actual results could differ from those estimates. On a regular basis, management reviews its accounting policies, assumptions and estimates to ensure that our financial statements are presented fairly and in accordance with GAAP. Our significant accounting policies are discussed in Note 2 — *Summary of Significant Accounting Policies* of the Notes to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2020.

Critical accounting policies are those policies that management believes are very important to the portrayal of our financial position and results of operations, and that require management to make estimates that are difficult, subjective or complex. There were no changes to our critical accounting policies and estimates during the quarter ended March 31, 2021. For further information regarding our critical accounting policies and estimates, refer to Part II, Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies and Estimates* in the Company's 2020 Form 10-K.

## **RECENT ACCOUNTING PRONOUNCEMENTS**

See Note 1 — *Description of the Business and Basis of Presentation* of the Notes to the Unaudited Condensed Consolidated Financial Statements included in this Quarterly Report for information regarding recent accounting pronouncements.

## **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

There have been no material changes in our market risk since December 31, 2020. For further information on market risk, refer to Part II, Item 7A, *Quantitative and Qualitative Disclosures about Market Risk* in the Company's 2020 Form 10-K.

## **ITEM 4. CONTROLS AND PROCEDURES**

As of the end of the period covered by this report (the "Evaluation Date"), the Company carried out an evaluation, under the supervision and with the participation of management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures were effective.

### *Changes in Internal Control over Financial Reporting*

There were no changes in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) during the quarter ended March 31, 2021 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## PART II. OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

A description of our legal proceedings is included in and incorporated by reference to Note 12 — *Commitments and Contingencies* of the Notes to the Unaudited Condensed Consolidated Financial Statements contained in Part I, Item 1 of this report.

### ITEM 1A. RISK FACTORS

The following risk factor disclosures should be read in conjunction with the risk factors described in the Company's 2020 Form 10-K and subsequent periodic filings with the SEC. We are supplementing the risk factors previously disclosed in such filings to include the following updated risk factors:

***An “ownership change” could limit our ability to utilize our net operating loss carryforwards and other tax attributes, which could result in our payment of income taxes earlier than if we were able to fully utilize our net operating loss and other tax benefit carryforwards. We have entered into a Rights Plan to reduce the likelihood of an ownership change, but if the preferred share purchase rights were to be exercised pursuant to the Rights Plan, the market price of our common stock could be materially and adversely affected.***

Federal tax laws impose restrictions on the utilization of net operating loss (“NOL”) carryforwards and other tax attributes in the event of an “ownership change” as defined by Section 382 of the Internal Revenue Code (“Section 382”). A corporation generally will experience an “ownership change” if the percentage of the corporation’s stock owned by its “5-percent shareholders,” as defined in Section 382, increases by more than 50 percentage points over their lowest ownership percentage within the “testing period” as defined in Section 382, which is generally a rolling three-year period. Under Section 382, if a corporation undergoes an “ownership change,” such corporation’s ability to use its pre-change NOL carryforwards and other pre-change tax attributes to offset its post-change income may be limited. While the Company has not experienced an “ownership change,” future changes in our stock ownership, which may be outside of our control, may trigger an “ownership change.” In addition, future equity offerings or acquisitions that have equity as a component of the consideration could result in an “ownership change.” If an “ownership change” occurs in the future, utilization of our NOL carryforwards or other tax attributes may be limited, which could potentially result in increased future tax liability to us.

Accordingly, we have adopted a Tax Benefits Preservation Plan, dated as of July 28, 2020 (the “Rights Plan”), designed to reduce the risk that our ability to use our NOL carryforwards and other tax attributes would become subject to limitations by reason of the Company experiencing an “ownership change.” The Rights Plan is designed to reduce the likelihood that we will experience an “ownership change” under Section 382 by (i) discouraging any person or group of persons from acquiring beneficial ownership of more than 4.95% of our Company Stock, which is defined in the Rights Plan and includes, among other things, our common stock and currently outstanding warrants, and (ii) discouraging any existing shareholder beneficially holding 4.95% or more of our Company Stock at the time the Rights Plan was adopted from acquiring any additional shares of Company Stock.

Under the terms of the Rights Plan, an Acquiring Person, as defined in the Rights Plan, that acquires or obtains the right to acquire beneficial ownership of 4.95% or more of our Company Stock could suffer substantial dilution of its ownership interest. In addition, if the preferred share purchase rights issued pursuant to the Rights Plan were exercised, the market price of our common stock could be materially and adversely affected. Moreover, sales in the public market of any shares of our common stock issued upon such exercise, or the perception that such sales may occur, could also adversely affect the market price of our common stock. These issuances may also cause our per share net income, if any, to decrease in future periods.

Although the Rights Plan is intended to reduce the likelihood of an “ownership change” that could adversely affect our NOL utilization, we cannot provide assurance that these restrictions on transferability will prevent all transfers that could result in such an “ownership change.”

**ITEM 6. EXHIBITS**

The following exhibits are filed or incorporated by reference herein in response to Item 601 of Regulation S-K. The Company files Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K pursuant to the Exchange Act under Commission File No. 1-31950.

<b>Exhibit Number</b>	<b>Description</b>
3.1	<u>Amended and Restated Certificate of Incorporation of MoneyGram International, Inc., dated June 28, 2004 (Incorporated by reference from Exhibit 3.1 to Registrant's Annual Report on Form 10-K filed on March 15, 2010).</u>
3.2	<u>Certificate of Amendment of Amended and Restated Certificate of Incorporation of MoneyGram International, Inc., dated May 12, 2009 (Incorporated by reference from Exhibit 3.1 to Registrant's Annual Report on Form 10-K filed March 15, 2010).</u>
3.3	<u>Certificate of Amendment of Amended and Restated Certificate of Incorporation of MoneyGram International, Inc., dated May 18, 2011 (Incorporated by reference from Exhibit 3.1 to Registrant's Current Report on Form 8-K filed May 23, 2011).</u>
3.4	<u>Certificate of Amendment of Amended and Restated Certificate of Incorporation of MoneyGram International, Inc., dated November 14, 2011 (Incorporated by reference from Exhibit 3.1 to Registrant's Current Report on Form 8-K filed November 14, 2011).</u>
3.5	<u>Amended and Restated Bylaws of MoneyGram International, Inc., as amended and restated October 28, 2015 (Incorporated by reference from Exhibit 3.5 to Registrant's Quarterly Report on Form 10-Q filed on November 2, 2015).</u>
3.6	<u>Amendment to the Amended and Restated Bylaws of MoneyGram International, Inc., dated March 2, 2016 (Incorporated by reference from Exhibit 3.6 to Registrant's Annual Report on Form 10-K filed on March 2, 2016).</u>
3.7	<u>Amended and Restated Certificate of Designations, Preferences and Rights of Series D Participating Convertible Preferred Stock of MoneyGram International, Inc., dated May 18, 2011 (Incorporated by reference from Exhibit 3.2 to Registrant's Current Report on Form 8-K filed May 23, 2011).</u>
3.8	<u>Certificate of Designations of Series E Junior Participating Preferred Stock of MoneyGram International, Inc. (Incorporated by reference from Exhibit 3.1 to Registrant's Current Report on Form 8-K filed July 28, 2020).</u>
4.1	<u>Tax Preservation Plan, dated as of July 28, 2020, by and between MoneyGram International, Inc. and Equiniti Trust Company, as Rights Agent (Incorporated by reference from Exhibit 4.1 to Registrant's Current Report on Form 8-K filed July 28, 2020).</u>
10.1*	<u>Form of MoneyGram International, Inc. Amended and Restated 2005 Omnibus Incentive Plan, as of May 6, 2020 Executive Officer Performance-Based Cash Award Agreement.</u>
10.2*	<u>Form of MoneyGram International, Inc. Amended and Restated 2005 Omnibus Incentive Plan, as of May 6, 2020 Executive Officer Time-Based Restricted Stock Unit Award Agreement.</u>
10.3*	<u>Form of MoneyGram International, Inc. Amended and Restated 2005 Omnibus Incentive Plan, as of May 6, 2020 Executive Officer Performance-Based Restricted Stock Unit Award Agreement.</u>
31.1*	<u>Section 302 Certification of Chief Executive Officer</u>
31.2*	<u>Section 302 Certification of Chief Financial Officer</u>
32.1**	<u>Section 906 Certification of Chief Executive Officer</u>
32.2**	<u>Section 906 Certification of Chief Financial Officer</u>
101*	The following materials from MoneyGram's Quarterly Report on Form 10-Q for the three months ended March 31, 2021, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Comprehensive Loss, (iv) Condensed Consolidated Statements of Stockholders' Deficit, (v) Condensed Consolidated Statements of Cash Flows and (vi) Notes to the Unaudited Condensed Consolidated Financial Statements.
104*	Cover Page Interactive Data File (formatted as iXBRL (Inline eXtensible Business Reporting Language) and contained in Exhibit 101).
*	Filed herewith.
**	Furnished herewith.

**SIGNATURES**

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

**MoneyGram International, Inc.**

(Registrant)

May 7, 2021

By:

/s/ CHRISTOPHER RUSSELL

**Christopher Russell**

Chief Accounting Officer

(Duly Authorized Officer and Principal Accounting Officer)

**MONEYGRAM INTERNATIONAL, INC.  
2005 OMNIBUS INCENTIVE PLAN,  
AS AMENDED AND RESTATED EFFECTIVE MAY 6, 2020**

**GLOBAL PERFORMANCE-BASED CASH  
AWARD AGREEMENT**

This **GLOBAL PERFORMANCE-BASED CASH AWARD AGREEMENT** (the “Agreement”) is made by and between **MoneyGram International, Inc.**, a Delaware corporation (the “Company”), and \_\_\_\_\_ (the “Participant”). The grant date of this award is \_\_\_\_\_ (the “Grant Date”).

1. Award.

The Company hereby grants to the Participant a cash-settled performance award (the “Award”) according to the terms and conditions as provided in this Agreement, including any country-specific appendix thereto (the “Appendix”), and in the Company’s 2005 Omnibus Incentive Plan, as amended and restated, effective May 6, 2020 (as amended, restated or otherwise modified from time to time, the “Plan”). The Award represents the opportunity to receive a maximum of \$ \_\_\_\_\_ subject to the vesting requirements of this Agreement and the terms of the Plan. The Award is granted as a Performance Award under Section 6(e) of the Plan. The Award is subject to appropriate adjustment as may be determined by the Committee from time to time in accordance with Section 8(b) of this Agreement. A copy of the Plan will be furnished upon request of the Participant. Each capitalized term used but not defined in this Agreement shall have the meaning assigned to that term in the Plan.

2. Vesting.

(a) Unless otherwise provided in this Agreement, the Award granted under this Agreement shall vest and become payable in cash as of each of the Vesting Dates (specified in the attached Schedule A, Section 6): (i) to the extent the performance goals (the “Performance Goals”) applicable to the performance period (the “Performance Period”) (specified in the attached Schedule A, Sections 2 and 3) are attained, as determined in accordance with Section 2(b) below; and (ii) as long as the Participant remains continuously employed by the Company or a Subsidiary from the Grant Date through each of the Vesting Dates. The amount of the Award that shall be eligible to vest on each of the Vesting Dates shall be equal to (x) the total amount of the Award that is determined to be eligible to vest based on the level of attainment of the Performance Goals in accordance with Section 2(b) hereof, divided by (y) the number of Vesting Dates.

(b) As soon as reasonably practicable after the completion of the Performance Period and no later than the first Vesting Date, the Committee shall determine the actual level of attainment of the Performance Goals. On the basis of the determination of the level of attainment of the Performance Goals, the amount of the Award that is eligible to vest on each of the Vesting Dates shall be calculated as described in Section 2(a). The Committee may make such adjustments in accordance with the attached Schedule A, Section 4 to the Performance Goals (and to the method of determining the performance attainment level) as the Committee in its sole discretion deems appropriate .

(c) The Participant shall have no rights to payment of the Award until the Committee determines and certifies in writing that the applicable Performance Goals have been attained and that the Award has vested. Prior to settlement, the Award represents an unfunded and unsecured obligation of the Company.

(d) To the extent permissible under applicable local law, if the Participant commences working on a part-time basis, then the vesting schedule specified in Section 2(a) and on Schedule A may be adjusted by the Company in its sole discretion.

(e) For purposes of this Agreement, “Subsidiary” shall mean any present or future “subsidiary corporation” of the Company, as defined in Section 424(f) of the Code.

3. Settlement of Award. If the Award (or a portion thereof) vests, the applicable Award payment amount will be paid to the Participant in cash on, or as soon as practicable after, the date the Award (or a portion thereof) vests in accordance with Section 2 above (or, if sooner, Sections 5 or 6 below), but in any event, no later than March 15 of the calendar year following the calendar year of vesting.

4. Restrictions on Transfer. Except as otherwise provided by the Plan or by the Committee, the Award shall not be transferable other than by will or by the laws of descent and distribution. The Award may not be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance of the Award shall be void and unenforceable against the Company or any Subsidiaries.

5. Effect of Involuntary Termination Following Change in Control. Notwithstanding the vesting provisions contained in Section 2 above or Section 6 below, but subject to the other terms and conditions contained in this Agreement, from and after a Change in Control the following provisions shall apply:

(a) Notwithstanding the other provisions of this Section 5, if the Participant's employment is terminated by the Company or any of its Subsidiaries without Cause (as defined in Section 5(c) below) or the Participant terminates his or her employment for Good Reason (as defined in Section 5(b) below) in each case within 12 months following the occurrence of such Change in Control but prior to the final Vesting Date, then the Award will immediately vest upon such termination of employment as follows: (i) if the termination occurs on or prior to the last day of the Performance Period, with respect to \_\_\_\_\_, and (ii) if the termination occurs following the last day of the Performance Period but prior to a Vesting Date, with respect to \_\_\_\_\_.

(b) "Good Reason" for purposes of this Agreement shall mean: (i) a material reduction in the Participant's position or responsibilities from the Participant's position or responsibilities in effect immediately prior to such Change in Control, excluding for this purpose an isolated, insubstantial or inadvertent action not taken in bad faith; (ii) a material reduction in the Participant's base salary or target bonus opportunity, if any, as in effect immediately prior to such Change in Control, except in connection with an across-the-board reduction of not more than 10% applicable to similarly situated employees of the Company, or (iii) the reassignment, without the Participant's consent, of the Participant's place of work to a location more than 50 miles from the Participant's place of work immediately prior to the Change in Control; provided that none of the events described in clauses (i), (ii) and (iii) shall constitute Good Reason hereunder unless (x) the Participant shall have given written notice to the Company of the Participant's intent to terminate his or her employment with Good Reason within 60 days following the occurrence of any such event and (y) the Company shall have failed to remedy such event within 30 days of the Company's receipt of such notice. Failing such cure, a termination of employment by the Participant for Good Reason shall be effective on the day following the expiration of such cure period.

(c) "Cause" for purposes of this Agreement shall mean: (i) the Participant's willful refusal to carry out, in all material respects, the reasonable and lawful directions of the person or persons to whom the Participant reports or of the Board that are within the Participant's control and consistent with the Participant's status with the Company or its Subsidiary and his or her duties and responsibilities (except for a failure that is attributable to the Participant's illness, injury or Disability) for a period of 10 days following written notice by the Company or its Subsidiary to the Participant of such failure, (ii) fraud or material dishonesty in the performance of the Participant's duties, (iii) an act or acts on the Participant's part constituting (x) a felony under the laws of the United States or any state thereof or similar act under non-U.S. law for any non-U.S. Participant, (y) a misdemeanor involving moral turpitude or (z) a material violation of the securities laws of the United States or any state thereof or similar act under non-U.S. law for any non-U.S. Participant, (iv) an indictment of the Participant for a felony under the laws of the United States or any state thereof or similar act under non-U.S. law for any non-U.S. Participant, (v) the Participant's willful misconduct or gross negligence in connection with the Participant's duties which could reasonably be expected to be injurious in any material respect to the financial condition or business reputation of the Company as determined in good faith by the Board or the Company, to the extent the Participant does not report to the Board, (vi) the Participant's material breach of the Company's Code of Conduct or any other code of conduct in effect from time to time to the extent applicable to the Participant, and which breach could reasonably be expected to have a material adverse effect on the Company as determined in good faith by the Board or the Company, to the extent the Participant does not report to the Board, or (vii) the Participant's breach of the Employee Trade Secret, Confidential Information and Post-Employment Restriction Agreement (or any similar agreement the Participant received from the Company) (the "Post-Employment Restriction Agreement") which breach has an adverse effect on the Company or its Subsidiaries.

6. Effect of Termination of Employment. Except as provided in this Section 6 and in Section 5 above or as otherwise may be determined by the Committee, if the Participant ceases to be an employee of the Company or any of its Subsidiaries prior to the final Vesting Date, the following actions shall occur:

(a) Termination for Cause; Resignation. If the Participant's employment with the Company or any of its Subsidiaries is terminated for Cause or the Participant resigns for any reason, including as a result of the Participant's retirement, any amount of the Award that is not vested pursuant to Section 2 above as of the date of the Participant's termination of employment shall be immediately forfeited.

(b) Involuntary Termination/ Disability/Death Prior to Mid-Point of Performance Period. If the Participant's employment with the Company or any of its Subsidiaries is terminated without Cause or due to death or Disability (as defined in Section 6(d) below) prior to the completion of the first six months of the Performance Period, this Award in its totality shall be immediately forfeited as of the date of the Participant's termination of employment.

(c) Involuntary Termination/Disability/Death Following Mid-Point of the Performance Period. If the Participant's employment with the Company or any of its Subsidiaries is terminated without Cause or due to death or Disability:

(i) after the completion of the first six months of the Performance Period but on or prior to the last day of the Performance Period, then (A) the Award shall remain outstanding subject to the level of attainment of the Performance

Goals determined after completion of the Performance Period in accordance with Section 2 above; and (B) an amount of the Award equal to \_\_\_\_\_ shall become vested as of the end of the Performance Period upon such determination, and any unvested amount of the Award after giving effect to the foregoing shall be immediately forfeited for no consideration; or

(ii) following the last day of the Performance Period but prior to the final Vesting Date, \_\_\_\_\_ of the Award shall become immediately vested on the date of termination; provided, however, that any portion of the Award subject to an installment for any remaining Vesting Date(s) that is not vested as of the date of the Participant's termination of employment after giving effect to the foregoing shall be automatically forfeited as of the date of the Participant's termination of employment.

(d) "Disability" for purposes of this Agreement shall mean that the Participant becomes physically or mentally incapacitated and is therefore unable for a period of six consecutive months or for an aggregate of nine months in any 24 consecutive month period to perform his or her duties (after accounting for reasonable accommodation, if applicable and required by applicable law). Any question as to the existence of the Disability of the Participant for purposes of this Agreement shall be determined in writing by a qualified independent physician selected by the Company. The determination of Disability made in writing to the Company and the Participant shall be final and conclusive for all purposes of the Agreement.

(e) For purposes of this Agreement, the Participant shall cease to be continuously employed (whether or not later found to be invalid or in breach of any local employment law in the country where the Participant resides and/or is employed or the terms of the Participant's employment or service agreement, if any) as of the date that the Participant is no longer actively providing services and will not be continuously employed for purposes of the Plan through any notice period mandated under an employment law or practice in the country where the Participant resides and/or is employed, even if otherwise applicable to the Participant's employment benefits (e.g., continuous employment would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdictions where the Participant resides and/or is employed or the terms of the Participant's employment or service agreement, if any); the Committee shall have the exclusive discretion to determine when the Participant is no longer continuously employed for purposes of the Award, and if the Participant is a U.S. taxpayer, such determination shall be made in accordance with Code Section 409A.

#### 7. Forfeiture and Repayment Provisions.

(a) Failure to properly execute the Agreement (and each other document required to be executed by the Participant in connection with the Participant's receipt of the Award) in a timely manner following the Grant Date may result in the forfeiture of the Award, as determined in the sole discretion of the Company.

(b) The right to vest in the Award shall be conditional upon the fact that the Participant has read and understood the forfeiture and repayment provisions set forth in this Section 7, that the Participant has not engaged in any misconduct or acts contrary to the Company as described below, and that the Participant has no intent to leave employment with the Company or any of its Subsidiaries for the purpose of engaging in any activity or providing any services which are contrary to the spirit and intent of the Post-Employment Restriction Agreement.

(c) The Company is authorized to suspend or terminate this Award prior to or after termination of employment if the Company reasonably determines that:

(i) The Participant engaged in any conduct agreed to be avoided pursuant to the Post-Employment Restriction Agreement; or

(ii) During the Participant's employment with the Company or any of its Subsidiaries, the Participant knowingly participated in misconduct that causes a misstatement of the financial statements of the Company or any of its Subsidiaries or misconduct which represents a material violation of any code of ethics of the Company applicable to the Participant or of the Code of Conduct or similar program of the Company; or

(iii) During the Participant's employment with the Company or any of its Subsidiaries, the Participant was aware of and failed to report, as required by any code of ethics of the Company applicable to the Participant or by the Code of Conduct or similar program of the Company, misconduct that causes a misstatement of the financial statements of the Company or any of its Subsidiaries or misconduct which represents a material violation of any code of ethics of the Company applicable to the Participant or of the Code of Conduct or similar program of the Company; or

(iv) Such suspension or termination is permitted or required by any written clawback or recoupment policies that the Company, with the approval of the Board, may adopt, either prior to or following the Grant Date, and determine should apply to this Agreement, including any policy adopted to conform to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and rules promulgated thereunder by the Securities and Exchange Commission.

(d) If, at any time after the Award has vested or has been settled, in whole or in part, the Company reasonably determines that any of the actions or inactions contemplated under Sections 7(c)(i) through 7(c)(iii) have occurred, then any gain (without regard to tax effects) realized by the Participant from such vesting shall be paid by the Participant to the Company. The Participant consents to the deduction from any amounts the Company or any of its Subsidiaries owes to the Participant to the extent of the amounts the Participant owes the Company under this Section 7(d), provided, that no such deduction shall be made to the extent it would result in additional taxes under Section 409A of the Code.

8. Miscellaneous.

- (a) Treatment as Wages. Solely for tax purposes, amounts paid in settlement of a vested Award will be treated as wages subject to applicable tax withholding (as provided under Section 8(c) below).
- (b) Adjustments to Award. Upon a Change in Control, the Committee may, in its sole discretion, adjust the terms of this Award by taking any of the actions permitted under this Agreement and in accordance with the Plan.
- (c) Responsibility for Taxes.
- (i) Regardless of any action the Company or the Participant's employer (the "Employer") takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related items related to the Participant's participation in the Plan and legally applicable to the Participant ("Tax-Related Items"), the Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including, but not limited to, the grant, vesting or settlement of the Award, or the payment of cash upon settlement of the Award; and (2) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant has become subject to tax in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.
- (ii) In this regard, the Participant authorizes the Company or its agent to satisfy the obligations with regard to all Tax-Related Items by withholding cash amounts to be issued upon vesting/settlement of the Award. To avoid negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum withholding rates, in which case the Participant will receive a refund of any over-withheld amount in cash.
- (iii) Finally, the Participant shall pay to the Company or the Employer, as applicable, any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to settle the award if the Participant fails to comply with the Participant's obligations in connection with the Tax-Related Items.
- (d) Interpretations. This Agreement is subject in all respects to the terms of the Plan. A copy of the Plan is available upon the Participant's request. Terms used herein which are defined in the Plan shall have the respective meanings given to such terms in the Plan, unless otherwise defined herein. In the event that any provision of this Agreement is inconsistent with the terms of the Plan, the terms of the Plan shall govern. Any question of administration or interpretation arising under this Agreement shall be determined by the Committee, and such determination shall be final, conclusive and binding upon all parties in interest.
- (e) Nature of Grant. In accepting the grant, the Participant acknowledges, understands and agrees that:
- (i) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;
- (ii) the grant of the Award is voluntary and occasional and does not create any contractual or other right to receive future grants of awards, or benefits in lieu of awards, even if awards have been granted repeatedly in the past;
- (iii) all decisions with respect to future award grants, if any, will be at the sole discretion of the Company;
- (iv) the Participant's participation in the Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate the Participant's employment or service relationship (if any) at any time;
- (v) the Participant is voluntarily participating in the Plan;
- (vi) the Award is not intended to replace any pension rights or compensation;
- (vii) unless otherwise agreed with the Company, the Award, including the income and value of the Award, is not granted as consideration for, or in connection with, the service the Participant may provide as a director of a Subsidiary of the Company;
- (viii) the Award, including the income and value of the Award, is not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;
- (ix) no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from the Participant's termination of continuous employment by the Company or the Employer (for any reason whatsoever and whether or not later found to be invalid or in breach of the Participant's employment or service agreement, if any, or of any

employment law in the country where the Participant resides and/or is employed, even if otherwise applicable to the Participant's employment benefits from the Employer), and in consideration of the grant of the Award to which the Participant is otherwise not entitled, the Participant irrevocably agrees never to institute any claim against the Company or the Employer, waives his or her ability, if any, to bring any such claim, and releases the Company and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims; and

(x) the following provisions apply only to Participants providing services outside the United States, as determined by the Company:

(A) the Award is an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company or the Employer, and which is outside the scope of the Participant's employment or service contract, if any;

(B) the Award is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the Employer or any Subsidiary; and

(C) the Award grant and the Participant's participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Company or any Subsidiary.

(f) No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan. The Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

(g) Data Privacy.

(i) *The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other Award grant materials by and among, as applicable, the Employer, the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.*

(ii) *The Participant understands that the Company and the Employer may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social insurance number or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company, details of all awards or entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.*

(iii) *The Participant understands that Data will be transferred to E\*Trade Financial Services, or such other plan service provider as may be selected by the Company in the future or other plan service provider that is selected by the Participant to the extent permitted by the Company in its sole discretion, in each case, that is assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. If the Participant resides outside the United States, the Participant understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Participant authorizes the Company, E\*Trade Financial Services and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. If the Participant resides outside the United States, the Participant understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent or if the Participant later seeks to revoke his or her consent, his or her status as an employee and career with the Employer will not be adversely affected; the only consequence of refusing or withdrawing his or her consent is that the Company would not be able to grant certain awards or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan. For more information on the consequences of the*

***Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her local human resources representative.***

(h) Assignment. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by the Participant.

(i) Successors and Assigns; No Third Party Beneficiaries. This Agreement shall inure to the benefit of and be binding upon the Company and the Participant and their respective heirs, successors, legal representatives and permitted assigns. Nothing in this Agreement, expressed or implied, is intended to confer on any Person other than the Company and the Participant, and their respective heirs, successors, legal representatives and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

(j) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision hereof.

(k) Governing Law; Arbitration. The internal law, and not the law of conflicts, of the State of Texas will govern all questions concerning the validity, construction and effect of this Agreement. Any controversy, dispute or claim arising under or in connection with this Agreement (including, without limitation, the existence, validity, interpretation or breach hereof and any claim based on contract, tort or statute) shall be resolved by a binding arbitration, to be held in Dallas, Texas pursuant to the U.S. Federal Arbitration Act and in accordance with the then-prevailing National Rules of Resolution of Employment Disputes of the American Arbitration Association (the "AAA"). The AAA shall select a sole arbitrator. Each party shall bear its own expenses incurred in connection with arbitration and the fees and expenses of the arbitrator shall be shared equally by the parties involved in the dispute and advanced by them from time to time as required. It is the mutual intention and desire of the parties that the arbitrator be chosen as expeditiously as possible following the submission of the dispute to arbitration. Once such arbitrator is chosen, and except as may otherwise be agreed in writing by the parties involved in such dispute or as ordered by the arbitrator upon substantial justification shown, the hearing for the dispute will be held within 60 days of submission of the dispute to arbitration. The arbitrator shall render his or her final award within 60 days, subject to extension by the arbitrator upon substantial justification shown of extraordinary circumstances, following conclusion of the hearing and any required post-hearing briefing or other proceedings ordered by the arbitrator. Any discovery in connection with arbitration hereunder shall be limited to information directly relevant to the controversy or claim in arbitration. The arbitrator will state the factual and legal basis for the award. The decision of the arbitrator in any such proceeding will be final and binding and not subject to judicial review and final judgment may be entered upon such an award in any court of competent jurisdiction, but entry of such judgment will not be required to make such award effective. Any action against any party hereto ancillary to arbitration, including any action for provisional or conservatory measures or action to enforce an arbitration award or any judgment entered by any court in respect thereof may be brought in any federal or state court of competent jurisdiction located within the State of Texas, and the parties hereto hereby irrevocably submit to the non-exclusive jurisdiction of any federal or state court located within the State of Texas over any such action. The parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any such action brought in such court or any defense of inconvenient forum for the maintenance of such action. Each of the parties hereto agrees that a judgment in any such action may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(l) Notices. The Participant should send all written notices regarding this Agreement or the Plan to the Company at the following address:

MoneyGram International, Inc.  
EVP, General Counsel & Secretary  
2828 North Harwood Street, 15th Floor  
Dallas, TX 75201

(m) Amendments. The Company may amend this Agreement at any time; provided that, subject to Section 8(b) above, this Section 8(m) and Section 7 of the Plan, no such amendment, alteration, suspension, discontinuation or termination shall be made without the Participant's consent, if such action would materially diminish any of the Participant's rights under this Agreement. The Company reserves the right to impose other requirements on the Award and any payments acquired upon vesting of the Award, to the extent the Company determines it is necessary or advisable under the laws of the country in which the Participant resides to facilitate the administration of the Plan.

(n) Entire Agreement. This Agreement, including the Appendix, and the Plan and the other agreements referred to herein and therein and any schedules, exhibits and other documents referred to herein and therein constitute the entire agreement and understanding among the parties hereto in respect of the subject matter hereof and thereof and supersede all prior and contemporaneous arrangements, agreements and understandings, both oral and written, whether in term sheets, presentations or otherwise, among the parties hereto, or between any of them, with respect to the subject matter hereof and thereof.

- (o) Severability. If any provision of this Agreement is invalid, illegal, or incapable of being enforced by any law, all other provisions of this Agreement shall remain in full force and effect so long as the economic and legal substance of the transactions contemplated hereby are not affected in any manner materially adverse to any party. If any provision of this Agreement is held to be invalid, illegal, or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.
- (p) Participant Undertaking. The Participant agrees to take such additional action and execute such additional documents the Company may deem necessary or advisable to carry out or effect one or more of the obligations or restrictions imposed either on the Participant or upon this Award pursuant to the provisions of this Agreement.
- (q) Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.
- (r) Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.
- (s) Language. If the Participant has received this Agreement, or any other document related to the Award and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.
- (t) Appendix. The Award shall be subject to any special provisions set forth in the Appendix for the Participant's country of residence, if any. If the Participant relocates to one of the countries included in the Appendix during the life of the Award, the special provisions for such country shall apply to the Participant, to the extent the Company determines that the application of such provisions is necessary or advisable under the laws of the country in which the Participant resides to facilitate the administration of the Plan. The Appendix constitutes part of this Agreement.
- (u) Waiver. The Participant acknowledges that a waiver by the Company of any provision of this Agreement or of a breach by the Participant shall not operate or be construed as a waiver of any other provision of this Agreement or of any subsequent breach by the Participant.
- (v) Foreign Asset/Account Reporting Requirements and Exchange Controls. The Participant's country may have certain foreign asset and/or account reporting requirements and exchange controls which may affect the Participant's ability to acquire or hold cash received from participating in the Plan in a brokerage or bank account outside the Participant's country. The Participant may be required to report such accounts, assets or transactions to the tax or other authorities in the Participant's country. The Participant also may be required to repatriate funds received as a result of the Participant's participation in the Plan to the Participant's country through a designated bank or broker and/or within a certain time after receipt. The Participant acknowledges that it is the Participant's responsibility to be compliant with such regulations, and the Participant should consult his or her personal legal advisor for any details.
- (w) No Trust or Fund Created. Neither the Plan nor the Agreement shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Subsidiary and the Participant or any other person.
- (x) Section 409A Provisions. The Award and the payment of cash in settlement of any portion of the Award under this Agreement are intended to be exempt from the application of Section 409A of the Code by reason of the short-term deferral exemption set forth in Treasury Regulation §1.409A-1(b)(4). Notwithstanding anything in the Plan or this Agreement to the contrary, to the extent that any amount or benefit hereunder that constitutes "deferred compensation" to the Participant under Section 409A is otherwise payable or distributable to the Participant under the Plan or this Agreement solely by reason of the occurrence of a Change in Control or due to the Participant's Disability or separation from service, such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless the Committee determines in good faith that (i) the circumstances giving rise to such Change in Control, Disability or separation from service meet the definition of a change in ownership or control, disability, or separation from service, as the case may be, in Section 409A(a)(2)(A) of the Code and applicable final regulations, or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A by reason of the short-term deferral exemption or otherwise (including, but not limited to, a payment made pursuant to an involuntary separation arrangement that is exempt from Section 409A under the "short-term deferral" exception). Any payment or distribution that constitutes deferred compensation subject to Code Section 409A and that otherwise would be made to a Participant who is a specified employee as defined in Section 409A(a)(2)(B) of the Code on account of separation from service instead shall be made on the earlier of the date that is six months and one day after the date of the specified employee's separation from service and the specified employee's death.

**IN WITNESS WHEREOF**, the Company and the Participant have executed this Agreement as of the date set forth in the first paragraph.

SCHEDULE A

1. Target Amount of Award ("Target Award"): \$ \_\_\_\_\_
2. Performance Period:
3. Performance Goals:
4. Performance Goal Adjustments:
5. Performance Criteria:
6. Vesting Dates (assuming Performance Goals are attained):

**MONEYGRAM INTERNATIONAL, INC.  
AMENDED AND RESTATED 2005 OMNIBUS INCENTIVE PLAN,  
AS OF MAY 6, 2020**

**GLOBAL TIME-BASED RESTRICTED STOCK UNIT  
AWARD AGREEMENT**

This **GLOBAL TIME-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT** (the "Agreement") is made by and between MoneyGram International, Inc., a Delaware corporation (the "Company"), and \_\_\_\_\_ (the "Participant"). The grant date of this award is \_\_\_\_\_ (the "Grant Date").

1. Award.

The Company hereby grants to the Participant a time-based Restricted Stock Unit (an "RSU") award covering \_\_\_\_\_ shares (the "Shares") of Common Stock, \$0.01 par value per share, of the Company ("Common Stock") according to the terms and conditions as provided in this Agreement, including any country-specific appendix thereto (the "Appendix"), and in the Company's Amended and Restated 2005 Omnibus Incentive Plan, as of May 6, 2020 (as amended, restated or otherwise modified from time to time, the "Plan"). Each RSU represents the right to receive one Share, a cash amount equal to the Fair Market Value of one Share, or a combination of the foregoing, in the Company's sole discretion, subject to the vesting requirements of this Agreement and the terms of the Plan. The RSUs are granted under Section 6(c) of the Plan. The RSUs are subject to appropriate adjustment as may be determined by the Committee from time to time in accordance with Section 8(c) of this Agreement. A copy of the Plan will be furnished upon request of the Participant. Each capitalized term used but not defined in this Agreement shall have the meaning assigned to that term in the Plan.

2. Vesting.

(a) Unless otherwise provided in this Agreement, the RSUs granted under this Agreement shall vest as follows, provided the Participant remains continuously employed by the Company or a Subsidiary from the Grant Date through each stated date (each a "Vesting Date"):

<u>Vesting Date</u>	<u>Cumulative Percentage Vested</u>
_____	_____ %
_____	_____ %
_____	_____ %

(b) The Participant shall have no rights to the Shares until the RSUs have vested. Prior to settlement, the RSUs represent an unfunded and unsecured obligation of the Company.

(c) To the extent permissible under applicable local law, if the Participant commences working on a part-time basis, then the vesting schedule specified in Section 2(a) may be adjusted by the Company in its sole discretion.

(d) For purposes of this Agreement, "Subsidiary" shall mean any present or future "subsidiary corporation" of the Company, as defined in Section 424(f) of the Code.

(e) In the event the Participant would otherwise become vested in a fractional portion of an RSU (a "Fractional RSU") based on the vesting terms set forth in Section 2(a), the Fractional RSU shall instead remain unvested until the final Vesting Date; provided, however, that if the Participant would otherwise vest in a subsequent Fractional RSU prior to the final Vesting Date for the RSUs and such Fractional RSU taken together with a previous Fractional RSU that remained unvested would equal a whole RSU, then such Fractional RSUs shall vest to the extent they equal a whole RSU. Upon the final Vesting Date, the value of any remaining Fractional RSUs shall be rounded up to the nearest whole RSU.

3. Settlement of RSUs. Any RSUs that vest shall be paid to the Participant solely in whole Shares on, or as soon as practicable (but in no event later than \_\_\_ days) after, the date the RSUs vest in accordance with Section 2 above (or, if sooner, Sections 5 or 6 below). Notwithstanding the foregoing, the Company may, in its sole discretion, settle all of a portion of any RSUs in the form of: (a) a cash payment, (b) Shares or (c) a combination of cash and Shares.

4. Restrictions on Transfer.

(a) Except as otherwise provided by the Plan or by the Committee, the RSUs shall not be transferable other than by will or by the laws of descent and distribution. The RSUs may not be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance of the RSUs shall be void and unenforceable against the Company or any Subsidiaries.

(b) None of the Shares acquired pursuant to the RSU award shall be assigned, transferred, pledged, given away or in any other manner disposed of or encumbered, whether voluntarily or by operation of law, unless such transfer is in compliance with all applicable securities laws (including, without limitation, the United States Securities Act of 1933, as amended).

5. Effect of Involuntary Termination Following Change in Control. Notwithstanding the vesting provisions contained in Section 2 above or Section 6 below, but subject to the other terms and conditions contained in this Agreement, from and after a Change in Control the following provisions shall apply:

(a) Notwithstanding the other provisions of this Section 5, if the RSUs are assumed or otherwise replaced in connection with a Change in Control and the Participant's employment is terminated by the Company or any of its Subsidiaries without Cause (as defined in Section 5(c) below) or the Participant terminates his or her employment for Good Reason (as defined in Section 5(b) below) in each case within 12 months following the occurrence of such Change in Control but prior to the final Vesting Date, then \_\_\_\_\_ of the unvested RSUs subject to this award will automatically accelerate and become vested upon such termination of employment.

(b) For purposes of this Agreement, "Good Reason" shall mean : (i) a material reduction in the Participant's position or responsibilities in effect immediately prior to such Change in Control, excluding an isolated, insubstantial or inadvertent action not taken in bad faith; (ii) a material reduction of the Participant's base salary or target bonus opportunity, if any, as in effect immediately prior to such Change in Control, except in connection with an across-the-board reduction of not more than 10% applicable to similarly situated employees of the Company, or (iii) the reassignment, without the Participant's consent, of the Participant's place of work to a location more than 50 miles from the Participant's place of work immediately prior to the Change in Control; provided that none of the events described in clauses (i), (ii) and (iii) shall constitute Good Reason unless (x) the Participant shall have given written notice to the Company of the Participant's intent to terminate his or her employment with Good Reason within 60 days following the occurrence of any such event and (y) the Company shall have failed to remedy such event within 30 days of the Company's receipt of such notice. Failing such cure, a termination of employment by the Participant for Good Reason shall be effective on the day following the expiration of such cure period.

(c) For purposes of this Agreement, "Cause" shall mean: (i) the Participant's willful refusal to carry out, in all material respects, the reasonable and lawful directions of the person or persons to whom the Participant reports or of the Board that are within the Participant's control and consistent with the Participant's status with the Company or its Subsidiary and his or her duties and responsibilities (except for a failure that is attributable to the Participant's illness, injury or Disability (as defined in Section 6(c) below)) for a period of 10 days following written notice by the Company or its Subsidiary to the Participant of such failure, (ii) fraud or material dishonesty in the performance of the Participant's duties, (iii) an act or acts on the Participant's part constituting (x) a felony under the laws of the United States or any state thereof or similar act under non-U.S. law for any non-U.S. Participant, (y) a misdemeanor involving moral turpitude or (z) a material violation of the securities laws of the United States or any state thereof or similar act under non-U.S. law for any non-U.S. Participant, (iv) an indictment of the Participant for a felony under the laws of the United States or any state thereof or similar act under non-U.S. law for any

non-U.S. Participant, (v) the Participant's willful misconduct or gross negligence in connection with the Participant's duties which could reasonably be expected to be injurious in any material respect to the financial condition or business reputation of the Company as determined in good faith by the Board or the Company, to the extent the Participant does not report to the Board, (vi) the Participant's material breach of the Company's Code of Conduct and Ethics or any other code of conduct in effect from time to time to the extent applicable to the Participant, and which breach could reasonably be expected to have a material adverse effect on the Company as determined in good faith by the Board or the Company, to the extent the Participant does not report to the Board, or (vii) the Participant's breach of the Employee Trade Secret, Confidential Information and Post-Employment Restriction Agreement (or any similar agreement the Participant received from the Company) (the "Post-Employment Restriction Agreement") which breach has an adverse effect on the Company or its Subsidiaries.

6. Effect of Termination of Employment. Except as provided in this Section 6 and in Section 5 above or as otherwise may be determined by the Committee, if the Participant ceases to be an employee of the Company or any of its Subsidiaries prior to the final Vesting Date, the following actions shall occur:

(a) Termination for Cause; Resignation. If the Participant's employment with the Company or any of its Subsidiaries is terminated for Cause or the Participant resigns for any reason, including as a result of the Participant's retirement, any RSUs that are not vested pursuant to Section 2 above as of the date of the Participant's termination of employment shall be immediately forfeited.

(b) Involuntary Termination/Disability/Death. If the Participant's employment with the Company or any of its Subsidiaries is terminated without Cause or is terminated due to death or Disability, then \_\_\_\_\_ of the unvested RSUs shall vest on the date of termination.

(c) "Disability" for purposes of this Agreement shall mean that the Participant becomes physically or mentally incapacitated and is therefore unable for a period of six consecutive months or for an aggregate of nine months in any 24 consecutive month period to perform his or her duties (after accounting for reasonable accommodation, if applicable and required by applicable law). Any question as to the existence of the Disability of the Participant for purposes of this Agreement shall be determined in writing by a qualified independent physician selected by the Company. The determination of Disability made in writing to the Company and the Participant shall be final and conclusive for all purposes of the Agreement.

(d) For purposes of this Agreement, the Participant shall cease to be continuously employed (whether or not later found to be invalid or in breach of any local employment law in the country where the Participant resides and/or is employed or the terms of the Participant's employment or service agreement, if any) as of the date that the Participant is no longer actively providing services and will not be continuously employed for purposes of the Plan through any notice period mandated under an employment law or practice in the country where the Participant resides and/or is employed, even if otherwise applicable to the Participant's employment benefits (e.g., continuous employment would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdictions where the Participant resides and/or is employed or the terms of the Participant's employment or service agreement, if any); the Committee shall have the exclusive discretion to determine when the Participant is no longer continuously employed for purposes of the RSU award, and if the Participant is a U.S. taxpayer, such determination shall be made in accordance with Code Section 409A.

7. Forfeiture and Repayment Provisions.

(a) Failure to properly execute the Agreement (and each other document required to be executed by the Participant in connection with the Participant's receipt of the RSUs) in a timely manner following the Grant Date may result in the forfeiture of the RSUs, as determined in the sole discretion of the Company.

(b) The right to vest in the RSUs shall be conditional upon the fact that the Participant has read and understood the forfeiture and repayment provisions set forth in this Section 7, that the Participant has not engaged in any misconduct or acts contrary to the Company as described below, and that the Participant has no intent to leave employment with the Company or any of its Subsidiaries for the

purpose of engaging in any activity or providing any services which are contrary to the spirit and intent of the Post-Employment Restriction Agreement.

(c) The Company is authorized to suspend or terminate this RSU award prior to or after termination of employment if the Company reasonably determines that:

(i) The Participant engaged in any conduct agreed to be avoided pursuant to the Post-Employment Restriction Agreement; or

(ii) During the Participant's employment with the Company or any of its Subsidiaries, the Participant knowingly participated in misconduct that causes a misstatement of the financial statements of the Company or any of its Subsidiaries or misconduct which represents a material violation of any code of ethics of the Company applicable to the Participant or of the Code of Conduct and Ethics or similar program of the Company; or

(iii) During the Participant's employment with the Company or any of its Subsidiaries, the Participant was aware of and failed to report, as required by any code of ethics of the Company applicable to the Participant or by the Code of Conduct and Ethics or similar program of the Company, misconduct that causes a misstatement of the financial statements of the Company or any of its Subsidiaries or misconduct which represents a material violation of any code of ethics of the Company applicable to the Participant or of the Code of Conduct and Ethics or similar program of the Company; or

(iv) Such suspension or termination is permitted or required by any written clawback or recoupment policies that the Company, with the approval of the Board, may adopt, either prior to or following the Grant Date, and determine should apply to this Agreement, including any policy adopted to conform to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and rules promulgated thereunder by the Securities and Exchange Commission.

(d) If, at any time after the RSUs have vested or have been settled, in whole or in part, the Company reasonably determines that any of the actions or inactions contemplated under Sections 7(c)(i) through 7(c)(iii) have occurred, then any gain (without regard to tax effects) realized by the Participant from such vesting shall be paid by the Participant to the Company. The Participant consents to the deduction from any amounts the Company or any of its Subsidiaries owes to the Participant to the extent of the amounts the Participant owes the Company under this Section 7(d), provided, that no such deduction shall be made to the extent it would result in additional taxes under Section 409A of the Code.

(e) Without limiting any of the foregoing, for purposes of this Section 7, the Participant expressly and explicitly authorizes the Company to issue instructions, on the Participant's behalf, to any brokerage firm and/or third party administrator engaged by the Company to hold the Participant's Shares and other amounts acquired pursuant to the Participant's RSUs to re-convey, transfer or otherwise return such Shares and/or other amounts to the Company upon the Company's enforcement of this Section 7.

#### 8. Miscellaneous.

(a) Issuance of Shares. Upon any vesting of the RSUs, and subject to the payment of any Tax-Related Items (as defined under Section 8(d) below), to the extent that the Company settles the RSUs in Shares rather than cash, the Company shall deliver the Shares in book entry form at the times specified in Section 3 above. The Shares acquired shall be registered in the name of the Participant, the Participant's transferee, or if the Participant so requests, in writing at the time of vesting, jointly in the name of the Participant and another person with rights of survivorship. If the Participant dies, the Shares acquired shall be registered in the name of the person entitled to receive the Shares in accordance with the Plan.

(b) Rights as Shareholder. RSUs are not actual Shares, but rather, represent a right to receive Shares, or the cash equivalent in the discretion of the Company, according to the terms and conditions set forth herein and the terms of the Plan. Accordingly, the issuance of an RSU shall not entitle the Participant to any of the rights or benefits generally accorded to stockholders unless and until a Share is actually issued under Section 8(a) hereof.

(c) Adjustments to Award.

(i) In the event that the Company engages in a transaction such that any dividend or other distribution (whether in the form of cash, Shares, other securities or other property), recapitalization,

stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company or other similar corporate transaction or event affects the Shares covered by the RSUs, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Agreement, the terms of this RSU award (including, without limitation, the number and kind of Shares subject to this RSU award) shall be adjusted as set forth in Section 4(c) of the Plan.

(ii) Upon a Change in Control, the Committee may, in its sole discretion, adjust the terms of this RSU award (including, without limitation, the number and kind of Shares subject to this RSU award) by taking any of the actions permitted under this Agreement and in accordance with Section 4(c) of the Plan.

(d) Responsibility for Taxes.

(i) Regardless of any action the Company or the Participant's employer (the "Employer") takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related items related to the Participant's participation in the Plan and legally applicable to the Participant ("Tax-Related Items"), the Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant, vesting or settlement of the RSUs, the issuance of Shares upon settlement of the RSUs, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends and/or any Dividend Equivalents; and (2) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant has become subject to tax in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(ii) Prior to any relevant taxable or tax withholding event, as applicable, the Participant agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or the Employer, or their respective agents, to satisfy any applicable withholding obligations with regard to all Tax-Related Items by withholding in Shares to be issued upon vesting/settlement of the RSUs. In the event that such withholding in Shares is problematic under applicable tax or securities law or has materially adverse accounting consequences, by the Participant's acceptance of the RSUs, the Participant authorizes and directs the Company and/or the Employer, or their respective agents, to sell on the Participant's behalf a whole number of Shares from those Shares issued to the Participant at vesting/settlement of the RSUs as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy any applicable withholding obligations with regard to all Tax-Related Items.

(iii) The Company and/or the Employer may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum withholding rates, in the jurisdiction(s) applicable to the Participant, in which case the Participant may receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent amount in Shares. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Participant is deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Participant's participation in the Plan.

(iv) Finally, the Participant shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if the Participant fails to comply with the Participant's obligations in connection with the Tax-Related Items.

(e) Interpretations. This Agreement is subject in all respects to the terms of the Plan. A copy of the Plan is available upon the Participant's request. Terms used herein which are defined in the Plan shall have the respective meanings given to such terms in the Plan, unless otherwise defined herein. If any provision of this Agreement is inconsistent with the terms of the Plan, the terms of the Plan shall govern. Any question of administration or interpretation arising under this Agreement shall be determined by the Committee, and such determination shall be final, conclusive and binding upon all parties in interest.

(f) Nature of Grant. In accepting the grant, the Participant acknowledges, understands and agrees that:

(i) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;

(ii) the grant of the RSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of restricted stock units, or benefits in lieu of restricted stock units, even if restricted stock units have been granted repeatedly in the past;

(iii) all decisions with respect to future RSU grants, if any, will be at the sole discretion of the Company;

(iv) the Participant's participation in the Plan shall not create a right to employment or be interpreted as forming or amending an employment or service contract with the Company and shall not interfere with the ability of the Employer to terminate the Participant's employment or service relationship (if any) at any time;

(v) the Participant is voluntarily participating in the Plan;

(vi) the RSUs and the Shares subject to the RSUs, and the income from and value of same, are not intended to replace any pension rights or compensation;

(vii) unless otherwise agreed with the Company, the RSUs and the Shares subject to the RSUs, and the income from and value of same, are not granted as consideration for, or in connection with, the service the Participant may provide as a director of a Subsidiary of the Company;

(viii) the RSUs and the Shares subject to the RSUs, and the income from and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments;

(ix) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(x) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from the Participant's termination of continuous employment by the Company or the Employer (for any reason whatsoever and whether or not later found to be invalid or in breach of the Participant's employment or service agreement, if any, or of any employment law in the country where the Participant resides and/or is employed, even if otherwise applicable to the Participant's employment benefits from the Employer), and in consideration of the grant of the RSUs to which the Participant is otherwise not entitled, the Participant irrevocably agrees never to institute any claim against the Company or the Employer, waives his or her ability, if any, to bring any such claim, and releases the Company and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims; and

(xi) neither the Company, the Employer nor any other Subsidiary of the Company shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the RSUs or of any amounts due to the Participant pursuant to the settlement of the RSUs or the subsequent sale of any Shares acquired upon settlement.

(g) No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying Shares. The Participant is hereby advised

to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

(h) Reservation of Shares. The Company shall at all times during the term of the RSU award reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of this Agreement.

(i) Securities Matters. The Company shall not be required to deliver any Shares until the requirements of any securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

(j) Assignment. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by the Participant.

(k) Successors and Assigns; No Third-Party Beneficiaries. This Agreement shall inure to the benefit of and be binding upon the Company and the Participant and their respective heirs, successors, legal representatives and permitted assigns. Nothing in this Agreement, expressed or implied, is intended to confer on any Person other than the Company and the Participant, and their respective heirs, successors, legal representatives and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

(l) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision hereof.

(m) Governing Law; Arbitration. The internal law, and not the law of conflicts, of the State of Texas will govern all questions concerning the validity, construction and effect of this Agreement. Any controversy, dispute or claim arising under or in connection with this Agreement (including, without limitation, the existence, validity, interpretation or breach hereof and any claim based on contract, tort or statute) shall be resolved by a binding arbitration, to be held in Dallas, Texas pursuant to the U.S. Federal Arbitration Act and in accordance with the then-prevailing National Rules of Resolution of Employment Disputes of the American Arbitration Association (the "AAA"). The AAA shall select a sole arbitrator. Each party shall bear its own expenses incurred in connection with arbitration and the fees and expenses of the arbitrator shall be shared equally by the parties involved in the dispute and advanced by them from time to time as required. It is the mutual intention and desire of the parties that the arbitrator be chosen as expeditiously as possible following the submission of the dispute to arbitration. Once such arbitrator is chosen, and except as may otherwise be agreed in writing by the parties involved in such dispute or as ordered by the arbitrator upon substantial justification shown, the hearing for the dispute will be held within 60 days of submission of the dispute to arbitration. The arbitrator shall render his or her final award within 60 days, subject to extension by the arbitrator upon substantial justification shown of extraordinary circumstances, following conclusion of the hearing and any required post-hearing briefing or other proceedings ordered by the arbitrator. Any discovery in connection with arbitration hereunder shall be limited to information directly relevant to the controversy or claim in arbitration. The arbitrator will state the factual and legal basis for the award. The decision of the arbitrator in any such proceeding will be final and binding and not subject to judicial review and final judgment may be entered upon such an award in any court of competent jurisdiction, but entry of such judgment will not be required to make such award effective. Any action against any party hereto ancillary to arbitration, including any action for provisional or conservatory measures or action to enforce an arbitration award or any judgment entered by any court in respect thereof may be brought in any federal or state court of competent jurisdiction located within the State of Texas, and the parties hereto hereby irrevocably submit to the non-exclusive jurisdiction of any federal or state court located within the State of Texas over any such action. The parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any such action brought in such court or any defense of inconvenient forum for the maintenance of such action. Each of the parties hereto agrees that a judgment in any such action may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(n) Notices. The Participant should send all written notices regarding this Agreement or the Plan to the Company at the following address:

MoneyGram International, Inc.  
General Counsel & Secretary  
2828 North Harwood Street, 15th Floor  
Dallas, TX 75201

- (o) Amendments. The Company may amend this Agreement at any time; provided that, subject to Section 8(c) above, this Section 8(o) and Section 7 of the Plan, no such amendment, alteration, suspension, discontinuation or termination shall be made without the Participant's consent, if such action would materially diminish any of the Participant's rights under this Agreement. Notwithstanding the foregoing, any amendment that is intended to facilitate compliance with applicable law may be made without the Participant's consent. The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the RSUs and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons.
- (p) Entire Agreement. This Agreement, including the Appendix, and the Plan and the other agreements referred to herein and therein constitute the entire agreement and understanding among the parties hereto in respect of the subject matter hereof and thereof and supersede all prior and contemporaneous arrangements, agreements and understandings, both oral and written, whether in term sheets, presentations or otherwise, among the parties hereto, or between any of them, with respect to the subject matter hereof and thereof.
- (q) Severability. If any provision of this Agreement is invalid, illegal, or incapable of being enforced by any law, all other provisions of this Agreement shall remain in full force and effect so long as the economic and legal substance of the transactions contemplated hereby are not affected in any manner materially adverse to any party. If any provision of this Agreement is held to be invalid, illegal, or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.
- (r) Participant Undertaking. The Participant agrees to take such additional action and execute such additional documents the Company may deem necessary or advisable to carry out or effect one or more of the obligations or restrictions imposed either on the Participant or upon this RSU award pursuant to the provisions of this Agreement.
- (s) Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.
- (t) Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.
- (u) Language. The Participant acknowledges that he or she proficient in the English language, or has consulted with an advisor who is sufficiently proficient, so as to allow the Participant to understand the terms and conditions of this Agreement. If the Participant has received this Agreement, or any other document related to the RSU award and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.
- (v) Appendix. The RSU award shall be subject to any special provisions set forth in the Appendix for the Participant's country of residence, if any. If the Participant relocates to one of the countries included in the Appendix during the life of the RSU award, the special provisions for such country shall apply to the Participant, to the extent the Company determines, in its sole discretion, that the application of such provisions is necessary or advisable under the laws of the country in which the

Participant resides pertaining to the issuance or sale of Shares or to facilitate the administration of the Plan. The Appendix constitutes part of this Agreement.

(w) Waiver. The Participant acknowledges that a waiver by the Company of any provision of this Agreement or of a breach by the Participant shall not operate or be construed as a waiver of any other provision of this Agreement or of any subsequent breach by the Participant.

(x) Insider Trading Restrictions/Market Abuse Laws. By accepting the RSU award, the Participant acknowledges that he or she is bound by all the terms and conditions of the Company's insider trading policy as may be in effect from time to time. The Grantee further acknowledges that, depending upon the Participant's or his or her broker's country of residence or where the Shares are listed, the Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (e.g., RSUs) or rights linked to the value of Shares under the Plan during such times as the Participant is considered to have "inside information" regarding the Company (as defined by the laws in the applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before the Participant possessed inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party, which may include fellow employees and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Participant is responsible for complying with any applicable restrictions and should speak with his or her personal legal advisor on this matter.

(y) Foreign Asset/Account Reporting Requirements and Exchange Controls. The Participant's country may have certain foreign asset and/or account reporting requirements and exchange controls which may affect the Participant's ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including from any dividends or Dividend Equivalents received or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside the Participant's country. The Participant may be required to report such accounts, assets or transactions to the tax or other authorities in the Participant's country. The Participant also may be required to repatriate sale proceeds or other funds received as a result of the Participant's participation in the Plan to the Participant's country through a designated bank or broker and/or within a certain time after receipt. The Participant acknowledges that it is the Participant's responsibility to be compliant with such regulations, and the Participant should consult his or her personal legal advisor for any details.

(z) No Trust or Fund Created. Neither the Plan nor the Agreement shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Subsidiary and the Participant or any other person.

(aa) Section 409A Provisions. The payment of Shares under this Agreement is intended to be exempt from the application of Section 409A of the Code by reason of the short-term deferral exemption set forth in Treasury Regulation §1.409A-1(b)(4). Notwithstanding anything in the Plan or this Agreement to the contrary, to the extent that any amount or benefit hereunder that constitutes "deferred compensation" to the Participant under Section 409A is otherwise payable or distributable to the Participant under the Plan or this Agreement on a date or period that is by reference to the Participant's Disability or separation from service, such amount or benefit will not be payable or distributable to the Participant unless the Committee determines in good faith that (i) the circumstances giving rise to such Disability or separation from service meet the definition of a disability, or separation from service, as the case may be, in Section 409A(a)(2)(A) of the Code and applicable regulations, or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A by reason of the short-term deferral exemption or otherwise (including, but not limited to, a payment made pursuant to an involuntary separation arrangement that is exempt from Section 409A under the "short-term deferral" exception). To the extent that any amount or benefit hereunder that constitutes deferred compensation to the Participant under Section 409A is otherwise payable or distributable to the Participant under the Plan or this Agreement on a date or period that is by reference to a Change in Control that is not a "change in control event" within the meaning of the Treasury Regulations under Section 409A, the amount or benefit

instead shall be made on the earlier of the original vesting dates contemplated under Section 2 or the Participant's separation from service, subject to any delay required pursuant to the following sentence. Any payment or distribution that constitutes deferred compensation subject to Code Section 409A that is payable on a date or period that is by reference to the Participant's separation from service and that otherwise would be made to a Participant who is a specified employee as defined in Section 409A(a)(2)(B) of the Code as of the date of the Participant's separation from service instead shall be made on the earlier of the date that is six months and one day after the date of the specified employee's separation from service and the specified employee's death.

**IN WITNESS WHEREOF**, the Company and the Participant have executed this Agreement as of the date set forth in the first paragraph.

**MONEYGRAM INTERNATIONAL, INC.**  
**2005 OMNIBUS INCENTIVE PLAN,**  
**AS AMENDED AND RESTATED EFFECTIVE MAY 6, 2020**

**GLOBAL PERFORMANCE-BASED RESTRICTED STOCK UNIT  
AWARD AGREEMENT**

This **GLOBAL PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT** (the "Agreement") is made by and between **MoneyGram International, Inc.**, a Delaware corporation (the "Company"), and \_\_\_\_\_ (the "Participant"). The grant date of this award is \_\_\_\_\_ (the "Grant Date").

1. Award.

The Company hereby grants to the Participant a performance-based Restricted Stock Unit (a "Unit") award covering \_\_\_\_\_ shares (the "Shares") of Common Stock, \$.01 par value per share, of the Company according to the terms and conditions as provided in this Agreement, including any country-specific appendix thereto (the "Appendix"), and in the Company's 2005 Omnibus Incentive Plan, as amended and restated, effective May 6, 2020 (as amended, restated or otherwise modified from time to time, the "Plan"). Each Unit represents the right to receive one Share, subject to the vesting requirements of this Agreement and the terms of the Plan. The Units are granted under Section 6(c) of the Plan. The Units are subject to appropriate adjustment as may be determined by the Committee from time to time in accordance with Section 8(c) of this Agreement. A copy of the Plan will be furnished upon request of the Participant. Each capitalized term used but not defined in this Agreement shall have the meaning assigned to that term in the Plan.

2. Vesting.

(a) Unless otherwise provided in this Agreement, the Units granted under this Agreement shall vest and become payable in Shares as of each of the Vesting Dates (specified in the attached Schedule A, Section 6), (i) to the extent the performance goals (the "Performance Goals") applicable to the performance period (the "Performance Period") (specified in the attached Schedule A, Sections 2 and 3) are attained, as determined in accordance with Section 2(b) below and (ii) as long as the Participant remains continuously employed by the Company or a Subsidiary from the Grant Date through each of the Vesting Dates. The number of Units that shall be eligible to vest on each of the Vesting Dates shall be equal to (x) the total number of Units that are determined to be eligible to vest based on the level of attainment of the Performance Goals in accordance with Section 2(b) hereof, divided by (y) the number of Vesting Dates.

(b) As soon as reasonably practicable after the completion of the Performance Period and no later than the first Vesting Date, the Committee shall determine the actual level of attainment of the Performance Goals. On the basis of the determination of the level of attainment of the Performance Goals, the number of Units that are eligible to vest on each of the Vesting Dates shall be calculated as described in Section 2(a). The Committee may make such adjustments in accordance with the attached Schedule A, Section 4 to the Performance Goals (and to the method of determining the performance attainment level) as the Committee in its sole discretion deems appropriate.

(c) The Participant shall have no rights to the Shares until the Units have vested. Prior to settlement, the Units represent an unfunded and unsecured obligation of the Company.

(d) To the extent permissible under applicable local law, if the Participant commences working on a part-time basis, then the vesting schedule specified in Section 2(a) and on Schedule A may be adjusted by the Company in its sole discretion.

(e) For purposes of this Agreement, "Subsidiary" shall mean any present or future "subsidiary corporation" of the Company, as defined in Section 424(f) of the Code.

(f) In the event the Participant would otherwise become vested in a fractional portion of a Unit (a "Fractional Unit") based on the vesting terms set forth in Section 2(a) and on Schedule A, the Fractional Unit shall instead remain unvested until the final Vesting Date; provided, however, that if the Participant would otherwise vest in a subsequent Fractional Unit prior to the final Vesting Date for the Units and such Fractional Unit taken together with a previous Fractional Unit that remained unvested would equal a whole Unit, then such Fractional Units shall vest to the extent they equal a whole Unit. Upon the final Vesting Date, the value of any remaining Fractional Units shall be rounded up to the nearest whole Unit.

3. Settlement of Units. Any Units that vest shall be paid to the Participant solely in whole Shares on, or as soon as practicable after, the date the Units vest in accordance with Section 2 above (or, if sooner, Sections 5 or 6 below), but in any event, no later than March 15 of the calendar year following the calendar year of vesting.

4. Restrictions on Transfer.

(a) Except as otherwise provided by the Plan or by the Committee, the Units shall not be transferable other than by will or by the laws of descent and distribution. The Units may not be pledged, alienated, attached or otherwise encumbered,

and any purported pledge, alienation, attachment or encumbrance of the Units shall be void and unenforceable against the Company or any Subsidiaries.

(b) None of the Shares acquired pursuant to the Unit award shall be assigned, transferred, pledged, hypothecated, given away or in any other manner disposed of or encumbered, whether voluntarily or by operation of law, unless such transfer is in compliance with all applicable securities laws (including, without limitation, the United States Securities Act of 1933, as amended).

5. Effect of Involuntary Termination Following Change in Control. Notwithstanding the vesting provisions contained in Section 2 above or Section 6 below, but subject to the other terms and conditions contained in this Agreement, from and after a Change in Control the following provisions shall apply:

(a) Notwithstanding the other provisions of this Section 5, if the Units are assumed or otherwise replaced in connection with a Change in Control and the Participant's employment is terminated by the Company or any of its Subsidiaries without Cause (as defined in Section 5(c) below) or the Participant terminates his or her employment for Good Reason (as defined in Section 5(b) below) in each case within 12 months following the occurrence of such Change in Control but prior to the final Vesting Date, then the Units subject to this award will immediately vest upon such termination of employment as follows: \_\_\_\_\_.

(b) "Good Reason" for purposes of this Agreement shall mean: (i) a material reduction in the Participant's position or responsibilities from the Participant's position or responsibilities in effect immediately prior to such Change in Control, excluding for this purpose an isolated, insubstantial or inadvertent action not taken in bad faith; (ii) a material reduction in the Participant's base salary or target bonus opportunity, if any, as in effect immediately prior to such Change in Control, except in connection with an across-the-board reduction of not more than 10% applicable to similarly situated employees of the Company, or (iii) the reassignment, without the Participant's consent, of the Participant's place of work to a location more than 50 miles from the Participant's place of work immediately prior to the Change in Control; provided that none of the events described in clauses (i), (ii) and (iii) shall constitute Good Reason hereunder unless (x) the Participant shall have given written notice to the Company of the Participant's intent to terminate his or her employment with Good Reason within 60 days following the occurrence of any such event and (y) the Company shall have failed to remedy such event within 30 days of the Company's receipt of such notice. Failing such cure, a termination of employment by the Participant for Good Reason shall be effective on the day following the expiration of such cure period.

(c) "Cause" for purposes of this Agreement shall mean: (i) the Participant's willful refusal to carry out, in all material respects, the reasonable and lawful directions of the person or persons to whom the Participant reports or of the Board that are within the Participant's control and consistent with the Participant's status with the Company or its Subsidiary and his or her duties and responsibilities (except for a failure that is attributable to the Participant's illness, injury or Disability) for a period of 10 days following written notice by the Company or its Subsidiary to the Participant of such failure, (ii) fraud or material dishonesty in the performance of the Participant's duties, (iii) an act or acts on the Participant's part constituting (x) a felony under the laws of the United States or any state thereof or similar act under non-U.S. law for any non-U.S. Participant, (y) a misdemeanor involving moral turpitude or (z) a material violation of the securities laws of the United States or any state thereof or similar act under non-U.S. law for any non-U.S. Participant, (iv) an indictment of the Participant for a felony under the laws of the United States or any state thereof or similar act under non-U.S. law for any non-U.S. Participant, (v) the Participant's willful misconduct or gross negligence in connection with the Participant's duties which could reasonably be expected to be injurious in any material respect to the financial condition or business reputation of the Company as determined in good faith by the Board or the Company, to the extent the Participant does not report to the Board, (vi) the Participant's material breach of the Company's Code of Conduct or any other code of conduct in effect from time to time to the extent applicable to the Participant, and which breach could reasonably be expected to have a material adverse effect on the Company as determined in good faith by the Board or the Company, to the extent the Participant does not report to the Board, or (vii) the Participant's breach of the Employee Trade Secret, Confidential Information and Post-Employment Restriction Agreement (or any similar agreement the Participant received from the Company) (the "Post-Employment Restriction Agreement") which breach has an adverse effect on the Company or its Subsidiaries.

6. Effect of Termination of Employment. Except as provided in this Section 6 and in Section 5 above or as otherwise may be determined by the Committee, if the Participant ceases to be an employee of the Company or any of its Subsidiaries prior to the final Vesting Date, the following actions shall occur:

(a) Termination for Cause; Resignation. If the Participant's employment with the Company or any of its Subsidiaries is terminated for Cause or the Participant resigns for any reason, including as a result of the Participant's retirement, any Units that are not vested pursuant to Section 2 above as of the date of the Participant's termination of employment shall be immediately forfeited.

(b) Involuntary Termination/ Disability/Death Prior to Mid-Point of Performance Period. If the Participant's employment with the Company or any of its Subsidiaries is terminated without Cause or due to death or Disability (as defined

in Section 6(d) below) prior to the completion of the first six months of the Performance Period, all Units subject to this award shall be immediately forfeited as of the date of the Participant's termination of employment.

(c) Involuntary Termination/ Disability/Death Following Mid-Point of the Performance Period. If the Participant's employment with the Company or any of its Subsidiaries is terminated without Cause or due to death or Disability:

(i) after the completion of the first six months of the Performance Period but on or prior to the last day of the Performance Period, then (A) the total number of Units subject to this award shall remain outstanding subject to the level of attainment of the Performance Goals determined after completion of the Performance Period in accordance with Section 2 above; and (B) a number of Units equal to \_\_\_\_\_ shall become vested as of the end of the Performance Period upon such determination, and any unvested Units shall be immediately forfeited for no consideration; or

(ii) following the last day of the Performance Period but prior to the final Vesting Date, \_\_\_\_\_ shall become immediately vested on the date of termination; provided, however, that the Units subject to an installment for any remaining Vesting Dates that are not vested as of the date of the Participant's termination of employment after giving effect to the foregoing shall be automatically forfeited as of the date of the Participant's termination of employment.

(d) "Disability" for purposes of this Agreement shall mean that the Participant becomes physically or mentally incapacitated and is therefore unable for a period of six consecutive months or for an aggregate of nine months in any 24 consecutive month period to perform his or her duties (after accounting for reasonable accommodation, if applicable and required by applicable law). Any question as to the existence of the Disability of the Participant for purposes of this Agreement shall be determined in writing by a qualified independent physician selected by the Company. The determination of Disability made in writing to the Company and the Participant shall be final and conclusive for all purposes of the Agreement.

(e) For purposes of this Agreement, the Participant shall cease to be continuously employed (whether or not later found to be invalid or in breach of any local employment law in the country where the Participant resides and/or is employed or the terms of the Participant's employment or service agreement, if any) as of the date that the Participant is no longer actively providing services and will not be continuously employed for purposes of the Plan through any notice period mandated under an employment law or practice in the country where the Participant resides and/or is employed, even if otherwise applicable to the Participant's employment benefits (e.g., continuous employment would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdictions where the Participant resides and/or is employed or the terms of the Participant's employment or service agreement, if any); the Committee shall have the exclusive discretion to determine when the Participant is no longer continuously employed for purposes of the Unit award, and if the Participant is a U.S. taxpayer, such determination shall be made in accordance with Code Section 409A.

#### 7. Forfeiture and Repayment Provisions.

(a) Failure to properly execute the Agreement (and each other document required to be executed by the Participant in connection with the Participant's receipt of the Units) in a timely manner following the Grant Date may result in the forfeiture of the Units, as determined in the sole discretion of the Company.

(b) The right to vest in the Units shall be conditional upon the fact that the Participant has read and understood the forfeiture and repayment provisions set forth in this Section 7, that the Participant has not engaged in any misconduct or acts contrary to the Company as described below, and that the Participant has no intent to leave employment with the Company or any of its Subsidiaries for the purpose of engaging in any activity or providing any services which are contrary to the spirit and intent of the Post-Employment Restriction Agreement.

(c) The Company is authorized to suspend or terminate this Unit award prior to or after termination of employment if the Company reasonably determines that:

(i) The Participant engaged in any conduct agreed to be avoided pursuant to the Post-Employment Restriction Agreement; or

(ii) During the Participant's employment with the Company or any of its Subsidiaries, the Participant knowingly participated in misconduct that causes a misstatement of the financial statements of the Company or any of its Subsidiaries or misconduct which represents a material violation of any code of ethics of the Company applicable to the Participant or of the Code of Conduct or similar program of the Company; or

(iii) During the Participant's employment with the Company or any of its Subsidiaries, the Participant was aware of and failed to report, as required by any code of ethics of the Company applicable to the Participant or by the Code of Conduct or similar program of the Company, misconduct that causes a misstatement of the financial statements of the Company or any of its Subsidiaries or misconduct which represents a material violation of any code of ethics of the Company applicable to the Participant or of the Code of Conduct or similar program of the Company; or

(iv) Such suspension or termination is permitted or required by any written clawback or recoupment policies that the Company, with the approval of the Board, may adopt, either prior to or following the Grant Date, and

determine should apply to this Agreement, including any policy adopted to conform to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and rules promulgated thereunder by the Securities and Exchange Commission.

(d) If, at any time after the Units have vested or have been settled, in whole or in part, the Company reasonably determines that any of the actions or inactions contemplated under Sections 7(c)(i) through 7(c)(iii) have occurred, then any gain (without regard to tax effects) realized by the Participant from such vesting shall be paid by the Participant to the Company. The Participant consents to the deduction from any amounts the Company or any of its Subsidiaries owes to the Participant to the extent of the amounts the Participant owes the Company under this Section 7(d), provided, that no such deduction shall be made to the extent it would result in additional taxes under Section 409A of the Code.

#### 8. Miscellaneous.

(a) Issuance of Shares. Upon any vesting of the Units, and subject to the payment of any Tax-Related Items (as defined under Section 8(d) below), the Company shall deliver the Shares in book entry form at the times specified in Section 3 above. The Shares acquired shall be registered in the name of the Participant, the Participant's transferee, or if the Participant so requests, in writing at the time of vesting, jointly in the name of the Participant and another person with rights of survivorship. If the Participant dies, the Shares acquired shall be registered in the name of the person entitled to receive the Shares in accordance with the Plan.

(b) Rights as Shareholder. Units are not actual Shares, but rather, represent a right to receive Shares according to the terms and conditions set forth herein and the terms of the Plan. Accordingly, the issuance of a Unit shall not entitle the Participant to any of the rights or benefits generally accorded to stockholders unless and until a Share is actually issued under Section 8(a) hereof.

(c) Adjustments to Award.

(i) In the event that the Company engages in a transaction such that any dividend or other distribution (whether in the form of cash, Shares, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company or other similar corporate transaction or event affects the Shares covered by the Units, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Agreement, the terms of this Unit award (including, without limitation, the number and kind of Shares subject to this Unit award) shall be adjusted as set forth in Section 4(c) of the Plan.

(ii) Upon a Change in Control, the Committee may, in its sole discretion, adjust the terms of this Unit award (including, without limitation, the number and kind of Shares subject to this Unit award) by taking any of the actions permitted under this Agreement and in accordance with Section 4(c) of the Plan.

(d) Responsibility for Taxes.

(i) Regardless of any action the Company or the Participant's employer (the "Employer") takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related items related to the Participant's participation in the Plan and legally applicable to the Participant ("Tax-Related Items"), the Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Units, including, but not limited to, the grant, vesting or settlement of the Units, the issuance of Shares upon settlement of the Units, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends and/or any Dividend Equivalents; and (2) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Units to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant has become subject to tax in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(ii) In this regard, the Participant authorizes the Company or its agent to satisfy the obligations with regard to all Tax-Related Items by withholding in Shares to be issued upon vesting/settlement of the Units. In the event that such withholding in Shares is problematic under applicable tax or securities law or has materially adverse accounting consequences, by the Participant's acceptance of the Units, the Participant authorizes and directs the Company and/or its agent to sell on the Participant's behalf a whole number of Shares from those Shares issued to the Participant at vesting/settlement of the Units as the Company determines to be appropriate, to generate cash proceeds sufficient to satisfy the obligation for Tax-Related Items.

(iii) To avoid negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum withholding rates, in which case the Participant will receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent in Shares. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Participant is deemed to have been issued the full number of Shares subject to the vested Units,

notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Participant's participation in the Plan.

(iv) Finally, the Participant shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if the Participant fails to comply with the Participant's obligations in connection with the Tax-Related Items.

(e) Interpretations. This Agreement is subject in all respects to the terms of the Plan. A copy of the Plan is available upon the Participant's request. Terms used herein which are defined in the Plan shall have the respective meanings given to such terms in the Plan, unless otherwise defined herein. In the event that any provision of this Agreement is inconsistent with the terms of the Plan, the terms of the Plan shall govern. Any question of administration or interpretation arising under this Agreement shall be determined by the Committee, and such determination shall be final, conclusive and binding upon all parties in interest.

(f) Nature of Grant. In accepting the grant, the Participant acknowledges, understands and agrees that:

(i) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;

(ii) the grant of the Units is voluntary and occasional and does not create any contractual or other right to receive future grants of units, or benefits in lieu of units, even if units have been granted repeatedly in the past;

(iii) all decisions with respect to future Unit grants, if any, will be at the sole discretion of the Company;

(iv) the Participant's participation in the Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate the Participant's employment or service relationship (if any) at any time;

(v) the Participant is voluntarily participating in the Plan;

(vi) the Units and the Shares subject to the Units are not intended to replace any pension rights or compensation;

(vii) unless otherwise agreed with the Company, the Units and the Shares subject to the Units, and the income and value of same, are not granted as consideration for, or in connection with, the service the Participant may provide as a director of a Subsidiary of the Company;

(viii) the Units and the Shares subject to the Units, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(ix) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(x) no claim or entitlement to compensation or damages shall arise from forfeiture of the Units resulting from the Participant's termination of continuous employment by the Company or the Employer (for any reason whatsoever and whether or not later found to be invalid or in breach of the Participant's employment or service agreement, if any, or of any employment law in the country where the Participant resides and/or is employed, even if otherwise applicable to the Participant's employment benefits from the Employer), and in consideration of the grant of the Units to which the Participant is otherwise not entitled, the Participant irrevocably agrees never to institute any claim against the Company or the Employer, waives his or her ability, if any, to bring any such claim, and releases the Company and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims; and

(xi) the following provisions apply only to the Participants providing services outside the United States, as determined by the Company:

(A) the Units and the Shares subject to the Units are an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company or the Employer, and which is outside the scope of the Participant's employment or service contract, if any;

(B) the Units and the Shares subject to the Units are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the Employer or any Subsidiary; and

(C) the Unit grant and the Participant's participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Company or any Subsidiary.

(g) No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying Shares. The Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

(h) Data Privacy.

(i) *The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other Unit grant materials by and among, as applicable, the Employer, the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.*

(ii) *The Participant understands that the Company and the Employer may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social insurance number or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Units or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.*

(iii) *The Participant understands that Data will be transferred to E\*Trade Financial Services, or such other stock plan service provider as may be selected by the Company in the future or other stock plan service provider that is selected by the Participant to the extent permitted by the Company in its sole discretion, in each case, that is assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. If the Participant resides outside the United States, the Participant understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Participant authorizes the Company, E\*Trade Financial Services and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. If the Participant resides outside the United States, the Participant understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent or if the Participant later seeks to revoke his or her consent, his or her status as an employee and career with the Employer will not be adversely affected; the only consequence of refusing or withdrawing his or her consent is that the Company would not be able to grant Units or other equity awards or administer or maintain such Awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her local human resources representative.*

(i) Reservation of Shares. The Company shall at all times during the term of the Unit award reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of this Agreement.

(j) Securities Matters. The Company shall not be required to deliver any Shares until the requirements of any securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

(k) Assignment. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by the Participant.

(l) Successors and Assigns; No Third Party Beneficiaries. This Agreement shall inure to the benefit of and be binding upon the Company and the Participant and their respective heirs, successors, legal representatives and permitted assigns. Nothing in this Agreement, expressed or implied, is intended to confer on any Person other than the Company and the Participant, and their respective heirs, successors, legal representatives and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

(m) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision hereof.

(n) Governing Law; Arbitration. The internal law, and not the law of conflicts, of the State of Texas will govern all questions concerning the validity, construction and effect of this Agreement. Any controversy, dispute or claim arising under or in connection with this Agreement (including, without limitation, the existence, validity, interpretation or breach

hereof and any claim based on contract, tort or statute) shall be resolved by a binding arbitration, to be held in Dallas, Texas pursuant to the U.S. Federal Arbitration Act and in accordance with the then-prevailing National Rules of Resolution of Employment Disputes of the American Arbitration Association (the "AAA"). The AAA shall select a sole arbitrator. Each party shall bear its own expenses incurred in connection with arbitration and the fees and expenses of the arbitrator shall be shared equally by the parties involved in the dispute and advanced by them from time to time as required. It is the mutual intention and desire of the parties that the arbitrator be chosen as expeditiously as possible following the submission of the dispute to arbitration. Once such arbitrator is chosen, and except as may otherwise be agreed in writing by the parties involved in such dispute or as ordered by the arbitrator upon substantial justification shown, the hearing for the dispute will be held within sixty (60) days of submission of the dispute to arbitration. The arbitrator shall render his or her final award within sixty (60) days, subject to extension by the arbitrator upon substantial justification shown of extraordinary circumstances, following conclusion of the hearing and any required post-hearing briefing or other proceedings ordered by the arbitrator. Any discovery in connection with arbitration hereunder shall be limited to information directly relevant to the controversy or claim in arbitration. The arbitrator will state the factual and legal basis for the award. The decision of the arbitrator in any such proceeding will be final and binding and not subject to judicial review and final judgment may be entered upon such an award in any court of competent jurisdiction, but entry of such judgment will not be required to make such award effective. Any action against any party hereto ancillary to arbitration, including any action for provisional or conservatory measures or action to enforce an arbitration award or any judgment entered by any court in respect thereof may be brought in any federal or state court of competent jurisdiction located within the State of Texas, and the parties hereto hereby irrevocably submit to the non-exclusive jurisdiction of any federal or state court located within the State of Texas over any such action. The parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any such action brought in such court or any defense of inconvenient forum for the maintenance of such action. Each of the parties hereto agrees that a judgment in any such action may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(o) Notices. The Participant should send all written notices regarding this Agreement or the Plan to the Company at the following address:

MoneyGram International, Inc.  
EVP, General Counsel & Secretary  
2828 North Harwood Street, 15th Floor  
Dallas, TX 75201

(p) Amendments. The Company may amend this Agreement at any time; provided that, subject to Section 8(c) above, this Section 8(p) and Section 7 of the Plan, no such amendment, alteration, suspension, discontinuation or termination shall be made without the Participant's consent, if such action would materially diminish any of the Participant's rights under this Agreement. The Company reserves the right to impose other requirements on the Units and the Shares acquired upon vesting of the Units, to the extent the Company determines it is necessary or advisable under the laws of the country in which the Participant resides pertaining to the issuance or sale of Shares or to facilitate the administration of the Plan.

(q) Entire Agreement. This Agreement, including the Appendix, and the Plan and the other agreements referred to herein and therein and any schedules, exhibits and other documents referred to herein and therein constitute the entire agreement and understanding among the parties hereto in respect of the subject matter hereof and thereof and supersede all prior and contemporaneous arrangements, agreements and understandings, both oral and written, whether in term sheets, presentations or otherwise, among the parties hereto, or between any of them, with respect to the subject matter hereof and thereof.

(r) Severability. If any provision of this Agreement is invalid, illegal, or incapable of being enforced by any law, all other provisions of this Agreement shall remain in full force and effect so long as the economic and legal substance of the transactions contemplated hereby are not affected in any manner materially adverse to any party. If any provision of this Agreement is held to be invalid, illegal, or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

(s) Participant Undertaking. The Participant agrees to take such additional action and execute such additional documents the Company may deem necessary or advisable to carry out or effect one or more of the obligations or restrictions imposed either on the Participant or upon this Unit award pursuant to the provisions of this Agreement.

(t) Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

(u) Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by

electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

(v) Language. If the Participant has received this Agreement, or any other document related to the Unit award and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

(w) Appendix. The Unit award shall be subject to any special provisions set forth in the Appendix for the Participant's country of residence, if any. If the Participant relocates to one of the countries included in the Appendix during the life of the Unit award, the special provisions for such country shall apply to the Participant, to the extent the Company determines that the application of such provisions is necessary or advisable under the laws of the country in which the Participant resides pertaining to the issuance or sale of Shares or to facilitate the administration of the Plan. The Appendix constitutes part of this Agreement.

(x) Waiver. The Participant acknowledges that a waiver by the Company of any provision of this Agreement or of a breach by the Participant shall not operate or be construed as a waiver of any other provision of this Agreement or of any subsequent breach by the Participant.

(y) Insider Trading Restrictions/Market Abuse Laws. Depending upon his or her country of residence, the Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect the Participant's ability to acquire or sell Shares or rights to Shares (e.g., Units) under the Plan during such times as the Participant is considered to have "inside information" regarding the Company (as defined by the laws in the Participant's country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Participant is responsible for complying with any applicable restrictions and is advised to speak with his or her personal legal advisor on this matter.

(z) Foreign Asset/Account Reporting Requirements and Exchange Controls. The Participant's country may have certain foreign asset and/or account reporting requirements and exchange controls which may affect the Participant's ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including from any dividends or Dividend Equivalents received or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside the Participant's country. The Participant may be required to report such accounts, assets or transactions to the tax or other authorities in the Participant's country. The Participant also may be required to repatriate sale proceeds or other funds received as a result of the Participant's participation in the Plan to the Participant's country through a designated bank or broker and/or within a certain time after receipt. The Participant acknowledges that it is the Participant's responsibility to be compliant with such regulations, and the Participant should consult his or her personal legal advisor for any details.

(aa) No Trust or Fund Created. Neither the Plan nor the Agreement shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Subsidiary and the Participant or any other person.

(bb) Section 409A Provisions. The payment of Shares under this Agreement is intended to be exempt from the application of Section 409A of the Code by reason of the short-term deferral exemption set forth in Treasury Regulation §1.409A-1(b)(4). Notwithstanding anything in the Plan or this Agreement to the contrary, to the extent that any amount or benefit hereunder that constitutes "deferred compensation" to the Participant under Section 409A is otherwise payable or distributable to the Participant under the Plan or this Agreement solely by reason of the occurrence of a Change in Control or due to the Participant's Disability or separation from service, such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless the Committee determines in good faith that (i) the circumstances giving rise to such Change in Control, Disability or separation from service meet the definition of a change in ownership or control, disability, or separation from service, as the case may be, in Section 409A(a)(2)(A) of the Code and applicable final regulations, or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A by reason of the short-term deferral exemption or otherwise (including, but not limited to, a payment made pursuant to an involuntary separation arrangement that is exempt from Section 409A under the "short-term deferral" exception). Any payment or distribution that constitutes deferred compensation subject to Code Section 409A and that otherwise would be made to a Participant who is a specified employee as defined in Section 409A(a)(2)(B) of the Code on account of separation from service instead shall be made on the earlier of the date that is six months and one day after the date of the specified employee's separation from service and the specified employee's death.

**IN WITNESS WHEREOF**, the Company and the Participant have executed this Agreement as of the date set forth in the first paragraph.

#### **SCHEDULE A**

- 1. Target Number of Restricted Stock Units ("Target Units"):**
- 2. Performance Period:**

3. Performance Goals:
4. Performance Goal Adjustments:
5. Performance Criteria:
6. Vesting Dates (assuming Performance Goals are attained):

**Certification Pursuant to Section 302 of the  
Sarbanes-Oxley Act of 2002**

I, W. Alexander Holmes, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MoneyGram International, Inc. for the period ended March 31, 2021;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2021

/s/ W. Alexander Holmes

W. Alexander Holmes  
Chairman and Chief Executive Officer  
(Principal Executive Officer)

**Certification Pursuant to Section 302 of the  
Sarbanes-Oxley Act of 2002**

I, Lawrence Angelilli, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MoneyGram International, Inc. for the period ended March 31, 2021;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2021

/s/ Lawrence Angelilli  
Lawrence Angelilli  
Chief Financial Officer  
(Principal Financial Officer)

**Certification Pursuant to 18 U.S.C. §1350,  
as Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q (the "Report") of MoneyGram International, Inc. (the "Company") for the period ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof, I, W. Alexander Holmes, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 7, 2021

/s/ W. Alexander Holmes

---

W. Alexander Holmes  
Chairman and Chief Executive Officer  
(Principal Executive Officer)

**Certification Pursuant to 18 U.S.C. §1350,  
as Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q (the "Report") of MoneyGram International, Inc. (the "Company") for the period ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof, I, Lawrence Angelilli, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 7, 2021

/s/ Lawrence Angelilli

---

Lawrence Angelilli  
Chief Financial Officer  
(Principal Financial Officer)