

MONEYGRAM INTERNATIONAL INC
Form DEFM14A
April 10, 2017
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a-12

MONEYGRAM INTERNATIONAL, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

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(4) Date Filed:

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April 10, 2017

2828 North Harwood Street, 15th Floor

Dallas, Texas 75201

SPECIAL MEETING OF STOCKHOLDERS

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Stockholder:

The board of directors of MoneyGram International, Inc., a Delaware corporation, or MoneyGram, has unanimously approved and adopted a merger agreement pursuant to which MoneyGram will be acquired by Alipay (UK) Limited, a United Kingdom limited company, or Alipay, through a merger of a wholly owned subsidiary of Alipay into MoneyGram.

If the merger contemplated by the merger agreement is completed, holders of our common stock will be entitled to receive \$13.25 in cash, less any required withholding taxes, for each share of our common stock owned at the effective time of the merger. The merger consideration will be paid without interest. Receipt of the merger consideration will be taxable to our stockholders for U.S. federal income tax purposes.

Our stockholders will be asked to consider and vote upon a proposal to approve and adopt the merger agreement (which is a condition to the merger) at a special meeting of stockholders. Our stockholders will also be asked to consider and vote on an advisory, non-binding proposal to approve compensation that will or may become payable to our named executive officers in connection with the merger. Our board of directors has approved resolutions (i) determining that the merger and the other transactions contemplated by the merger agreement are fair to, and in the best interests of the stockholders of MoneyGram, (ii) approving, adopting and declaring advisable and authorized in all respects the merger agreement, the voting and support agreements (entered into in connection with the merger agreement) and the transactions contemplated by the merger agreement, including the merger, (iii) directing that the merger be submitted to the stockholders of MoneyGram for approval at a meeting of such stockholders and (iv) recommending that stockholders of MoneyGram approve the merger and approve all other actions or matters necessary or desirable to give effect to the merger pursuant to the Delaware General Corporation Law, as amended. **Our board of directors recommends that all of our stockholders vote FOR the approval and adoption of the merger agreement. Additionally, our board of directors recommends that all of our stockholders vote FOR the proposal to approve compensation that will or may become payable to our named executive officers in connection with the merger.**

On March 14, 2017, we received an unsolicited written proposal from Euronet Worldwide, Inc. (Euronet), offering to purchase all of our outstanding stock for \$15.20 in cash for each share of our common stock and our preferred stock on an as-converted basis (the Euronet proposal). The Euronet proposal is subject to completion by Euronet of satisfactory due diligence, negotiation of a definitive written agreement and approval by Euronet's board of directors. Our board of directors has had preliminary discussions regarding the Euronet proposal, in consultation with our management and our legal and financial advisors. Our board of directors has determined that the Euronet proposal could reasonably be expected to lead to a Company Superior Proposal (as defined in the merger agreement) and is in the process of further evaluating the Euronet proposal. Our board of directors has not determined that the Euronet proposal is in fact a Company Superior Proposal. At this time, our board of directors continues to believe that the

merger with Alipay is in our best interests and those of our stockholders and has not changed its recommendation that our stockholders vote **FOR** the adoption and approval of the merger agreement. However, in the exercise of its fiduciary duties, our board of directors believes that a full assessment of the Euronet proposal should be conducted before making any final determination regarding the Euronet proposal. Upon concluding its evaluation of the Euronet proposal,

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should our board of directors determine that the Euronet proposal is not a Company Superior Proposal, it will take such steps as are necessary to allow stockholders sufficient time to make an informed decision regarding whether to approve and adopt the merger agreement in light of such new information. These steps may include, if appropriate, adjourning or postponing the special meeting. In considering whether to adjourn or postpone the special meeting and the duration of any such adjournment or postponement, our board of directors will consider all of the facts and circumstances surrounding the definitive proposal, including the timing, magnitude and complexity of the new information.

Our board of directors does not yet know when it will complete its evaluation of the Euronet proposal and there is no obligation under the merger agreement for any final determination to be made within a specified time period. There can be no assurances that our board of directors will determine that the Euronet proposal constitutes a Company Superior Proposal or, if it makes such a determination, that a transaction with Euronet will be consummated.

The affirmative vote of holders of at least a majority of the outstanding shares of our common stock is required to approve and adopt the merger agreement. Additionally, the affirmative vote of a majority of the shares of our common stock present in person or represented by proxy at the special meeting and entitled to vote is required to approve the compensation that will or may become payable to our named executive officers in connection with the merger. Each holder of our common stock is entitled to one vote per share. Proxies returned to us that are properly signed and dated but not marked to indicate your voting preference will be counted as votes **FOR** approval and adoption of the merger agreement and **FOR** the proposal regarding certain merger-related executive compensation arrangements.

The date, time and place of the special meeting are as follows:

May 16, 2017

8 a.m. Central Time

Vinson & Elkins, L.L.P.

2001 Ross Avenue, 39th Floor

Dallas, TX 75201

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The proxy statement attached to this letter provides you with information about the special meeting of our stockholders and the proposed merger. We encourage you to read the entire proxy statement carefully. Please do not send in your stock certificates at this time. If the merger is completed, you will receive instructions regarding the surrender of your stock certificates and payment for your shares of common stock.

Your vote is very important. Whether or not you plan to attend the special meeting, if you are a holder of our common stock, please complete, sign, date and mail the enclosed proxy card to us or submit your proxy by telephone or Internet. If you attend the special meeting, you may vote in person even if you previously returned your proxy.

Sincerely,

W. Alexander Holmes

Chief Executive Officer

Neither the U.S. Securities and Exchange Commission nor any state securities regulatory agency has approved or disapproved of the transactions described in this document, including the merger, or determined whether the information contained in this document is accurate or adequate. Any representation to the contrary is a criminal offense.

The proxy statement is dated April 10, 2017, and is first being mailed to our stockholders on or about April 12, 2017.

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2828 North Harwood Street, 15th Floor

Dallas, Texas 75201

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To the stockholders of MoneyGram International, Inc.:

Notice is hereby given that on May 16, 2017, at 8 a.m., Central Time, MoneyGram International, Inc., a Delaware corporation, or MoneyGram, will hold a special meeting of its stockholders (the special meeting) at Vinson & Elkins, L.L.P., 39th Floor, Dallas, Texas 75201, for the following purposes:

1. To consider and vote upon a proposal to approve and adopt the Agreement and Plan of Merger, dated as of January 26, 2017, as such agreement may be amended from time to time (the merger agreement), by and among Alipay (UK) Limited, a United Kingdom limited company (Alipay), Matrix Acquisition Corp., a Delaware corporation and wholly owned subsidiary of Alipay (Merger Sub), Alipay (Hong Kong) Holding Limited, a Hong Kong limited company (the Guarantor), which is a party solely for the purposes of Section 8.16 of the merger agreement, and MoneyGram;
2. To consider and vote upon an advisory, non-binding proposal to approve compensation that will be or may become payable to MoneyGram's named executive officers in connection with the merger contemplated by the merger agreement; and
3. To transact such other business as may properly come before the special meeting or any adjournment or postponement of the special meeting.

Each of the proposals is described more fully in the proxy statement of which this notice forms a part. Please give your careful attention to all of the information in the proxy statement, including the information describing the unsolicited written proposal we received from Euronet Worldwide, Inc. (Euronet), on March 14, 2017, offering to purchase all of our outstanding stock for \$15.20 in cash for each share of our common stock and our preferred stock on an as-converted basis (the Euronet proposal) as described in the attached proxy statement.

Only holders of record of our common stock at the close of business on April 7, 2017 (the record date) or their proxies can vote at the special meeting or any adjournment of the special meeting. Approval and adoption of the merger agreement requires the affirmative vote of holders of at least a majority of the outstanding shares of our common stock who are entitled to vote as of the record date. Additionally, the affirmative vote of a majority of the shares of our common stock present in person or represented by proxy at the special meeting and entitled to vote is required to approve, on an advisory, non-binding basis, the proposal regarding compensation that will or may become payable to MoneyGram's named executive officers in connection with the merger.

The list of stockholders of record entitled to vote at the special meeting will be available, upon request, at MoneyGram's offices, at 2828 North Harwood Street, 15th Floor, Dallas, Texas 75201, for examination by any MoneyGram stockholder during ordinary business hours beginning 20 days prior to the special meeting.

Dissenting stockholders who comply with the procedural requirements of Section 262 of the Delaware General Corporation Law will be entitled to receive payment of the fair value of their shares, as determined by a Delaware court.

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Your vote is important. Whether or not you expect to attend the special meeting in person, you are urged to complete, sign, date and return the enclosed proxy card or voting instruction card at your earliest convenience or to submit your vote by Internet or telephone. Instructions for voting your shares are included on the enclosed proxy card or voting instruction card. If you are a record holder and you send in your proxy and then decide to attend the special meeting to vote your shares, you may still do so. You may revoke your proxy in the manner described in the proxy statement at any time before it has been voted at the special meeting.

ADDITIONAL INFORMATION

For additional questions about the merger, assistance in submitting proxies or voting shares of our common stock, or to request additional copies of the proxy statement or the enclosed proxy card, please contact our proxy solicitor at:

470 West Avenue

Stamford, Connecticut 06902

Shareholders Call Toll Free: 1-800-662-5200

Banks and Brokers Call Collect: 1-203-658-9400

E-mail: moneygram@morrowsodali.com

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON MAY 16, 2017.

The Notice of Special Meeting, proxy statement and MoneyGram's 2016 Annual Report on Form 10-K and other filings with the United States Securities and Exchange Commission are available at <http://ir.moneygram.com/sec.cfm>.

By Order of the Board of Directors of MoneyGram,

Francis Aaron Henry

General Counsel and Corporate Secretary

Dallas, Texas

April 10, 2017

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SUMMARY

*The following summary highlights selected information in this proxy statement and may not contain all the information that may be important to you. Accordingly, we encourage you to read carefully this entire proxy statement, its annexes and the documents referred to or incorporated by reference in this proxy statement. You may obtain the information incorporated by reference in this proxy statement at no charge by following the instructions under the section entitled *Where You Can Find More Information*. Where appropriate, we have set forth a section and page reference directing you to a more complete description of the topics described in this summary.*

Defined Terms

For purposes of this proxy statement, the following terms have the meanings set forth below, unless the context otherwise indicates:

affiliate means (unless otherwise specified), with respect to any person, any other person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, such specified person.

Alipay means Alipay (UK) Limited, a United Kingdom limited company.

BofA Merrill Lynch means Merrill Lynch, Pierce, Fenner & Smith Incorporated, financial advisor to MoneyGram.

business day means any day that is not a Saturday, a Sunday or other day on which banking organizations in New York, New York or Dallas, Texas are required or authorized by law to be closed.

CFIUS means the Committee on Foreign Investment in the United States.

Citigroup means Citigroup Global Markets Inc., financial advisor to Alipay.

Code means the U.S. Internal Revenue Code of 1986, as amended.

Common Stock means the Common Stock, par value \$0.01 per share, of MoneyGram.

Defense Production Act means the Defense Production Act of 1950, as amended.

DGCL means the Delaware General Corporation Law, as amended.

Euronet means Euronet Worldwide, Inc., a Delaware corporation.

Euronet proposal means the unsolicited written proposal received by MoneyGram from Euronet on March 14, 2017, offering to purchase all of our outstanding stock for \$15.20 in cash for each share of our Common Stock and our Series D Preferred Stock on an as-converted basis.

Exchange Act means the Securities Exchange Act of 1934, as amended.

Goldman Sachs means Goldman Sachs Group Inc., and its affiliates, holders of all of the outstanding Series D Preferred Stock.

Guarantor means Alipay (Hong Kong) Limited, a Hong Kong limited company.

HSR Act the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

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merger means, as contemplated by the merger agreement, the proposed merger of Merger Sub with and into MoneyGram, with MoneyGram surviving the merger as a wholly owned subsidiary of Alipay, and each share of Common Stock outstanding at the effective time of the merger being converted into the right to receive \$13.25 in cash without interest.

merger agreement means the Agreement and Plan of Merger, dated as of January 26, 2017, by and among Alipay, Merger Sub, Guarantor, which is a party solely for the purposes of Section 8.16 of the merger agreement, and MoneyGram, as such agreement may be amended from time to time, according to which the parties have agreed to consummate the merger and other transactions contemplated by the merger agreement.

merger consideration means the consideration of \$13.25 in cash offered for each share of Common Stock under the merger agreement.

Merger Sub means Matrix Acquisition Corp., a Delaware corporation and a wholly owned subsidiary of Alipay.

MoneyGram or we, us or our means MoneyGram International, Inc., a Delaware Corporation.

MoneyGram Option means each outstanding option to purchase shares of Common Stock.

MoneyGram RSU means each restricted stock unit representing the right to receive one share of Common Stock.

MoneyGram Stockholder Approval means the affirmative vote of the holders of a majority of the outstanding shares of Common Stock in favor of the proposal to approve and adopt the merger agreement at the special meeting of stockholders.

NASDAQ means the National Association of Securities Dealers Automated Quotations.

Paul Hastings means Paul Hastings LLP, outside regulatory counsel to MoneyGram.

SEC means the U.S. Securities and Exchange Commission.

Series D Preferred Stock means the Series D Preferred Stock, par value \$0.01 per share, of MoneyGram, of which all of the outstanding shares are held by Goldman Sachs.

Simpson Thacher means the law firm of Simpson Thacher & Bartlett LLP, legal counsel to Alipay.

special meeting means the special meeting of MoneyGram stockholders to be held on May 16, 2017, at 8 a.m., Central Time at Vinson & Elkins, L.L.P., 39th Floor, Dallas, Texas 75201, as may be postponed or adjourned from time to time.

THL means certain affiliates and co-investors of Thomas H. Lee Partners, L.P.

U.S. or United States means the United States of America.

voting and support agreements means the voting and support agreement entered into by and among Alipay, THL and MoneyGram and each of the voting and support agreements entered into by and among, Alipay, MoneyGram and certain directors and officers of MoneyGram.

V&E means the law firm of Vinson & Elkins L.L.P., counsel to MoneyGram.

Weil means the law firm of Weil Gotshal & Manges LLP, counsel to THL.

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The Parties to the Merger

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MoneyGram International, Inc.

MoneyGram is a global provider of innovative money transfer services and is recognized worldwide as a financial connection to friends and family. We offer 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. MoneyGram primarily offers services through third-party agents, including retail chains, independent retailers, post offices and other financial institutions. It also offers Digital solutions such as moneygram.com, mobile solutions, account deposit and kiosk-based services. Additionally, MoneyGram has company-operated retail locations in the U.S. and Western Europe. The Financial Paper Products segment provides official check outsourcing services and money orders through financial institutions and agent locations. MoneyGram's Common Stock is listed on the NASDAQ under the symbol MGI.

Alipay (UK) Limited

Alipay (UK) Limited, or Alipay, is a company with limited liability incorporated under the laws of England and Wales and is the sole shareholder of Merger Sub. The sole stockholder of Alipay is Guarantor. Alipay is a subsidiary of Ant Financial Small and Micro Services Group Co., Ltd. (Ant Financial), and carries out marketing and business development activities for Ant Financial. Ant Financial is engaged in the business of using technology to provide inclusive financial services to individuals as well as small and micro enterprises.

Matrix Acquisition Corp.

Matrix Acquisition Corp., or Merger Sub, is a Delaware corporation. The sole stockholder of Merger Sub is Alipay. Merger Sub was formed solely for the purpose of entering into the merger agreement and consummating the transactions contemplated by the merger agreement, and has not engaged in any business except for activities incidental to its formation and as contemplated by the merger agreement.

Alipay (Hong Kong) Holding Limited

Alipay (Hong Kong) Holding Limited, or Guarantor, is a company with limited liability incorporated under the laws of Hong Kong and is a subsidiary of Ant Financial.

The Special Meeting

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Date, Time and Place

(Page 27)

A special meeting of our stockholders will be held on May 16, 2017, at 8 a.m., Central Time, at Vinson & Elkins, L.L.P., 39th Floor, Dallas, Texas 75201, to consider and vote upon a proposal to approve and adopt the merger agreement. You will also be asked to consider and vote upon an advisory, non-binding proposal regarding compensation that will or may become payable to MoneyGram's named executive officers.

Record Date, Stock Entitled to Vote and Quorum

(Page 27)

You are entitled to vote at the special meeting if you owned shares of our Common Stock at the close of business on April 7, 2017, the record date for the special meeting. You will have one vote at the special meeting for each share of our Common Stock you owned at the close of business on the record date. As of the record date,

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there were 53,969,695 shares of our Common Stock outstanding held by approximately 8,334 holders of record. The holders of a majority of the issued and outstanding shares of our Common Stock that are entitled to vote at the special meeting must be present in person or represented by proxy at the special meeting for a quorum to be present.

Vote Required

(Page 27)

Approval of the proposal to approve and adopt the merger agreement requires the affirmative vote of holders of at least a majority of the outstanding shares of our Common Stock entitled to vote at the special meeting. Goldman Sachs, the sole holder of Series D Preferred Stock has delivered its irrevocable consent to the merger and the treatment of the Series D Preferred Stock in the merger agreement. The advisory, non-binding proposal relating to compensation that will be or may become payable to MoneyGram's named executive officers in connection with the merger requires the affirmative vote of a majority of the shares of our Common Stock present in person or represented by proxy at the special meeting and entitled to vote.

The Merger

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Description of the Merger

(Page 31)

If the merger agreement is approved and adopted by MoneyGram's stockholders, then, subject to other closing conditions as described below in the section captioned "The Merger Agreement Conditions to Completion of the Merger," Merger Sub will be merged with and into MoneyGram, and MoneyGram will be the surviving corporation in the merger. Upon completion of the merger, MoneyGram will become a wholly owned subsidiary of Alipay. We strongly encourage you to read carefully the merger agreement in its entirety, a copy of which is attached as Annex A to this proxy statement, because it is the contract that governs the merger.

If the merger is completed, each share of Common Stock outstanding immediately prior to the effective time of the merger (other than certain shares as set forth in the merger agreement, including shares for which the holders thereof have properly exercised appraisal rights in accordance with the Section 262 of the DGCL with respect to such Common Stock) will be converted into the right to receive the merger consideration, without interest. After the merger is completed, you will have the right to receive the merger consideration (other than for shares for which you have properly exercised appraisal rights in accordance with the Section 262 of the DGCL) but you will no longer have any rights as a stockholder of MoneyGram.

Reasons for the Merger and Recommendation of Our Board of Directors

(Page 44)

At a meeting of our board of directors held on January 26, 2017, our board of directors approved and adopted the merger agreement and the merger. Our board of directors unanimously recommends that the stockholders of MoneyGram vote for the approval and adoption of the merger agreement and the merger. In the course of reaching its decision, our board of directors consulted with our senior management and our financial and legal advisors, reviewed a significant amount of information and considered a number of factors, including, among others, the following

factors:

the fact that the \$13.25 per share in cash to be paid as merger consideration represented a 91% premium to \$6.92, the closing price of our Common Stock on October 4, 2016, the day of the first meeting of MoneyGram's management with representatives of Ant Financial, and a 4% premium to Ant Financial's proposed price of \$12.75 per share in cash, made on January 2, 2017, the belief of our

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board of directors that the \$13.25 per share in cash to be paid as the merger consideration was the highest price per share that Ant Financial was willing to agree to pay and that the merger consideration would be paid solely in cash without a financing contingency;

the risks associated with continued independence, including the risks associated with operating in a highly competitive and regulated industry as well as our ability to access capital and our indebtedness, including our debt service obligations;

information with respect to our financial condition, results of operations, business, competitive position and business strategy on both a historical and prospective basis, current industry, economic and market conditions and trends as well as the potential future value of MoneyGram, together with the risks associated with continued independence, as compared to the value of the merger consideration;

the possibility that a third party with the financial means would agree to a transaction at a higher price than Ant Financial on similar or more favorable terms, given MoneyGram's historical discussions with prospective counterparties;

the opinion provided by BofA Merrill Lynch as to the fairness, from a financial point of view of the merger consideration to be received by holders of our Common Stock;

the business reputation and capabilities of Ant Financial and its management, Ant Financial's experience executing acquisitions and its commitment to its growth strategy, the resources available to Guarantor and Alipay to complete the merger and the strong commercial incentives of Ant Financial, Guarantor and Alipay to timely obtain all necessary regulatory approvals and complete the merger;

the terms of the debt financing bridge commitments provided to Guarantor in connection with the merger and the commitments of Guarantor to make the proceeds of the debt financing available to Alipay to fund the merger consideration, together with the financial capabilities and reputation of the financing sources;

the likelihood that the merger would be completed in light of, among other things, the conditions to the merger and the absence of a financing condition, the absence of any condition related to the receipt of third party commercial consents or approvals, the relative likelihood of obtaining required regulatory approvals, Alipay's representation that it will have sufficient financial resources to pay the merger consideration and consummate the merger and the remedies available to us under the merger agreement in the event of various breaches by Alipay, including the payment guarantee;

the fact that MoneyGram's two largest stockholders, THL and Goldman Sachs (taking into account the shares of Series D Preferred Stock owned by Goldman Sachs on an as converted basis) were willing to commit to participate in the merger on the same terms as holders of our Common Stock generally, with THL agreeing to enter into a voting and support agreement obligating THL to vote in favor of the merger and Goldman

Sachs providing its written consent to the merger prior to execution of the merger agreement;

the current state of the economy, debt financing markets, political climate and general uncertainty surrounding forecasted economic and political conditions, both in the near term and the longer term, and both generally and within our industry;

the risk that the announcement and pendency of the merger, including the restrictions on the conduct of our business, may cause substantial harm to relationships with our employees, agents, customers and partners and may divert management and employee attention away from the day-to-day operation of our business;

the fact that there can be no assurance that all conditions to the parties' obligations to consummate the merger will be satisfied, and, as a result, the possibility that the merger might not be completed, and further noted that these risks may be heightened due to the additional regulatory approvals required given that Alipay is not domiciled in the U.S.;

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the risk that necessary regulatory approvals may be delayed, conditioned or denied;

the risk that, while the merger agreement is not by its terms subject to a financing condition, if Guarantor fails to obtain sufficient financing (notwithstanding the terms of the debt commitments), the merger may not be consummated and the termination fee of \$60 million payable to us by Alipay in such event may not be sufficient to compensate us for potential losses we may incur under such circumstances;

that Guarantor's and Alipay's respective status as a foreign entity without substantial assets in the U.S. would, by its nature, make enforcement of our rights under the merger agreement against Alipay and Guarantor more difficult than against a buyer located in the U.S. with substantial assets subject to the jurisdiction of U.S. courts; and

the fact that MoneyGram will no longer exist as an independent public company and MoneyGram's stockholders will forgo any future increase in MoneyGram's value that might result from our earnings or possible growth as an independent company.

In the course of its deliberations, our board of directors also considered a number of additional potentially positive factors and a number of potentially negative factors regarding the merger, as more fully described in the section entitled "The Merger: Reasons for the Merger and Recommendation of Our Board of Directors." Our board of directors concluded that, overall, the potentially positive factors outweighed the potentially negative factors. Accordingly, our board of directors unanimously determined that the merger agreement and the merger are advisable and fair to, and in the best interests of, MoneyGram and its stockholders.

For a summary of the effect of the Euronet proposal on the merger and the recommendation of our board of directors, please see the section entitled "Summary: Recent Developments Regarding the Euronet Proposal" beginning on page 16 of this proxy statement.

Opinion of MoneyGram's Financial Advisor Regarding the Merger Consideration

(Page 49)

In connection with the merger, BofA Merrill Lynch, MoneyGram's financial advisor, delivered to our board of directors a written opinion, dated January 26, 2017, as to the fairness, from a financial point of view and as of the date of the opinion, of the merger consideration to be received by holders of our Common Stock. The full text of the written opinion, dated January 26, 2017, of BofA Merrill Lynch, which describes, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken, is attached as Annex D to this proxy statement and is incorporated by reference herein in its entirety. **BofA Merrill Lynch provided its opinion to our board of directors (in its capacity as our board of directors) for the benefit and use of our board of directors in connection with and for purposes of its evaluation of the merger consideration from a financial point of view. BofA Merrill Lynch's opinion does not address any other aspect of the merger and no opinion or view was expressed as to the relative merits of the merger in comparison to other strategies or transactions that might be available to MoneyGram or in which MoneyGram might engage or as to the underlying business decision of MoneyGram to proceed with or effect the merger. BofA Merrill Lynch also expressed no opinion or recommendation as to how any stockholder should vote or act in connection with the proposed merger or any other matter.**

Interests of MoneyGram's Executive Officers and Directors in the Merger

(Page 59)

In considering the recommendation of our board of directors with respect to the merger agreement and the merger, you should be aware that our executive officers and directors have interests in the merger that may be

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different from, or in addition to, the interests of our stockholders generally. Interests of directors and executive officers that may be different from or in addition to the interests of MoneyGram's stockholders generally include:

The merger agreement provides for the acceleration of the vesting and settlement of all MoneyGram Options, including MoneyGram Options held by our executive officers, with exercise prices less than the \$13.25 per share merger consideration;

The merger agreement also provides that all outstanding MoneyGram RSUs granted under MoneyGram's equity plans, including MoneyGram RSUs (other than MoneyGram RSUs held by non-employee directors), will be converted into cash-settled long-term incentive awards, each with the same vesting terms and conditions applicable to such MoneyGram RSU immediately before the effective time of the merger;

Possible cash payments, accelerated vesting of outstanding MoneyGram RSUs and performance cash awards and other benefits payable under severance arrangements, award agreements and/or employment agreements with our executive officers in the event of a qualifying termination of employment in connection with the merger; and

Indemnification of our directors and executive officers by the surviving corporation following the merger. Our board of directors was aware of and considered these interests, among other matters, in making its determinations and recommendations in connection with the merger agreement and the transactions contemplated thereby.

Regulatory Matters

(Page 68)

U.S. Antitrust Approval

Under the HSR Act, we cannot complete the merger until we give notification and furnish information to the Federal Trade Commission and the Antitrust Division of the Department of Justice and until the applicable waiting period expires or is terminated. On February 24, 2017, we and Alipay each filed a premerger notification and report form under the HSR Act. The 30-day waiting period under the HSR Act expired at 11:59 p.m. Eastern Time on March 27, 2017. The merger is not subject to receipt of any antitrust approvals outside the U.S.

CFIUS

The merger agreement provides for the parties to file a joint voluntary notice under Section 721 of the Defense Production Act (Section 721). Section 721 provides for national security reviews and, where appropriate, investigations by the Committee on Foreign Investment in the United States (CFIUS) of transactions in which a foreign person or entity acquires control of a U.S. business (a covered transaction).

Under the terms of the merger agreement, completion of the merger is subject to CFIUS Approval, which will be obtained if one of the following has occurred (i) the 30-day review period under the Defense Production Act has expired and the parties have received notice from CFIUS that such review has been concluded and that either the

merger and other transactions contemplated by the merger agreement do not constitute covered transactions under the Defense Production Act or there are no unresolved national security concerns, and all action under the Defense Production Act is concluded with respect to the merger and other transactions contemplated by the merger agreement;

(ii) an investigation has commenced after such 30-day review period and CFIUS has determined to conclude all action under the Defense Production Act without sending a report to the

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President of the United States, and the parties have received notice from CFIUS that there are no unresolved national security concerns, and all action under the Defense Production Act is concluded with respect to the merger and other transactions contemplated by the merger agreement; or (iii) CFIUS has sent a report to the President of the United States requesting the President's decision and the President has announced a decision not to take any action to suspend, prohibit or place any limitations on the merger and other transactions contemplated by the merger agreement, or the time permitted by law for such action has lapsed.

Money Transmitter Requirements

MoneyGram holds money transmitter licenses in numerous U.S. and foreign jurisdictions. The money transmission laws and regulations of certain of these jurisdictions require that, prior to the acquisition of control of a licensee, the licensee and/or acquirer must notify the applicable regulatory authority, make certain filings with such regulatory authority, and/or obtain the approval of such regulatory authority. It is a condition to Alipay's and Merger Sub's obligation to complete the merger that all necessary permits, consents and approvals related to the money transmitter licenses be obtained from the applicable regulatory authority in (i) at least 46 U.S. states (including the District of Columbia), provided, that the aggregate revenues from the states where required notices, filings or approvals have not been received cannot exceed 2.5% of MoneyGram's consolidated revenues for the 12-month period ended September 30, 2016 and (ii) the United Kingdom, India, New Zealand, Switzerland, U.S. Virgin Islands, Mexico and Puerto Rico.

Appraisal Rights

(Page 70)

If the merger is completed, MoneyGram's stockholders will be entitled to appraisal rights under Section 262 of the DGCL. This means that you are entitled to have the fair value of your shares of our Common Stock determined by the Delaware Court of Chancery and to receive payment based on that valuation in lieu of the merger consideration if you follow exactly the procedures set forth in Section 262 of the DGCL. The ultimate amount you receive in an appraisal proceeding may be less than, equal to or more than the amount you would have received under the merger agreement.

To exercise your appraisal rights, you must submit a written demand for appraisal to MoneyGram before the vote is taken on the proposal to approve and adopt the merger agreement and you must not vote (either in person or by proxy) in favor of the proposal to approve and adopt the merger agreement. If you fail to follow exactly the procedures set forth in Section 262 of the DGCL, you may lose your appraisal rights. See the section entitled "The Merger Appraisal Rights" and the text of the DGCL appraisal rights statute reproduced in its entirety as Annex E to this proxy statement. If you hold your shares of our Common Stock through a bank, brokerage firm or other nominee and you wish to exercise your appraisal rights, you should consult with your bank, brokerage firm or other nominee to determine the appropriate procedures for the making of a demand for appraisal by your bank, brokerage firm or other nominee.

In view of the complexity of Section 262 of the DGCL, stockholders who wish to pursue appraisal rights should consult their legal and financial advisors.

Financing of the Merger

(Page 75)

The total amount of funds necessary to consummate the merger and the related transactions will be funded by Guarantor, including the funds needed to (i) pay our stockholders the aggregate merger consideration due to them

under the merger agreement; (ii) make payments pursuant to the merger agreement in respect of

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outstanding MoneyGram Options granted under the MoneyGram stock plan; (iii) repay the outstanding indebtedness of MoneyGram under its existing credit agreement, to the extent required to be repaid and (iv) pay fees and expenses payable by Guarantor, Alipay and Merger Sub under the merger agreement and in connection with the debt financing described in the section entitled *The Merger Agreement Guaranty*. Guarantor will obtain such funding through the proceeds from one or more debt financing transactions. The obligation of Guarantor, Alipay and Merger Sub to complete the merger is not conditioned upon Guarantor obtaining financing.

Delisting and Deregistration of the Common Stock

(Page 76)

If the merger is completed, our Common Stock will no longer be traded on NASDAQ and will be deregistered under the Exchange Act.

Material United States Federal Income Tax Consequences of the Merger

(Page 76)

The receipt of cash in exchange for shares of our Common Stock pursuant to the merger generally will be a taxable transaction for U.S. federal income tax purposes. Generally, stockholders will recognize gain or loss equal to the difference between the amount of cash received and the adjusted tax basis of the shares of our Common Stock surrendered. MoneyGram stockholders who are U.S. holders (as defined in the section entitled *The Merger Material United States Federal Income Tax Consequences of the Merger*) generally will be subject to U.S. federal income tax on any gain recognized in connection with the merger. MoneyGram stockholders who are non-U.S. holders generally will not be subject to U.S. federal income tax on any gain recognized in connection with the merger unless the stockholder has certain connections to the United States. MoneyGram stockholders should consult their own tax advisors to determine the tax consequences to them of the merger based on their particular circumstances.

Litigation Relating to the Merger

(Page 78)

On March 13, 2017 and March 17, 2017, respectively, putative securities class action lawsuits challenging the merger were filed in the United States District Court for the District of Delaware and the United States District Court for the Northern District of Texas against MoneyGram and its directors. One of the lawsuits also names as defendants certain of our executive officers, Alipay, Guarantor, Merger Sub, and Ant Financial. The plaintiffs, our stockholders, challenge the merger and the disclosures made in connection with the merger. The lawsuits allege violations of various securities laws and regulations due to allegedly material and misleading omissions in the preliminary proxy statement filed in connection with the merger. Additionally, the lawsuits allege that the merger agreement is unfair to our stockholders, resulted from an inadequate process, and contains terms that will supposedly deter third parties from making alternative offers. The plaintiffs seek to enjoin the merger and to recover damages, costs and attorneys' fees in unspecified amounts. The defendants believe that the claims are without merit and intend to vigorously defend themselves against the lawsuits.

The Merger Agreement

(Page 80)

When the Merger Becomes Effective

(Page 81)

The merger agreement provides that the completion of the merger of Merger Sub with an into MoneyGram will take place no later than the third business day after the satisfaction or waiver of the conditions to the

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completion of the merger (as described below), provided, that if the required information (as described below) has not been provided by MoneyGram at such time, the completion of the merger will occur on the earlier of (i) a date specified by Alipay on no fewer than three business days notice to MoneyGram and (ii) the fifth business day following the date the required information is provided by MoneyGram (in each case subject to the satisfaction or waiver of the conditions to the completion of the merger).

The required information means all financial statements relating to MoneyGram necessary to satisfy certain conditions in the debt commitment letters as in effect on the date of the merger agreement, subject to certain exceptions as further described in the section entitled The Merger Agreement When the Merger Becomes Effective.

Treatment of Equity Awards

(Page 82)

Stock Options

The merger agreement provides that each MoneyGram Option (whether or not vested), unless otherwise agreed to, in writing, by Alipay and the holder of such MoneyGram Option, will be automatically terminated at the effective time of the merger and converted into the right to receive, less applicable withholding taxes, an amount in cash determined by multiplying (i) the excess, if any, of the merger consideration over the applicable exercise price per share of Common Stock subject to the MoneyGram Option by (ii) the number of shares of Common Stock (determined without reference to vesting requirements or other limitations on exercisability) issuable upon exercise of such MoneyGram Option. Any MoneyGram Option that is outstanding immediately prior to the effective time of the merger and has an exercise price that is equal to or greater than the merger consideration shall expire upon the effective time of the merger without being converted into the right to receive any merger consideration.

Restricted Stock Units

Pursuant to the terms of the merger agreement, at or immediately prior to the effective time of the merger, unless otherwise agreed to, in writing, by Alipay and the holder of such MoneyGram RSU, each MoneyGram RSU (other than MoneyGram RSUs held by non-employee directors) will automatically be converted into a cash-settled long-term incentive award representing a right to receive an amount of cash, without interest, equal to the per share merger consideration, on the same vesting terms and conditions applicable to such MoneyGram RSU immediately before the effective time of the merger. MoneyGram RSUs held by our non-employee directors will generally accelerate and automatically vest immediately prior to the effective time of the merger.

No Solicitation

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Pursuant to the merger agreement, we have agreed not to:

initiate, solicit, knowingly encourage or knowingly facilitate (including by way of providing information) the submission of any inquiries, proposals or offers that constitute or would reasonably be expected to lead to a Company acquisition proposal (as defined in The Merger Agreement No Solicitation);

have any discussions or negotiations with or provide any confidential information or data to any person relating to a Company acquisition proposal;

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withdraw, change, amend, modify or qualify, or otherwise propose publicly to withdraw, change, amend, modify or qualify, in a manner adverse to Alipay, our board of directors recommendation or approve or recommend, or propose publicly to approve or recommend, any Company acquisition proposal (any act described in this bullet is referred to in this proxy statement as a change in recommendation);

approve or recommend, or propose to approve or recommend, or execute or enter into, any letter of intent or other document or contract related to any Company acquisition proposal (other than an acceptable confidentiality agreement as defined in the merger agreement); or

enter into any letter of intent or other document or contract requiring MoneyGram to abandon, terminate or fail to consummate the transactions contemplated by the merger agreement or breach its obligations thereunder.

Notwithstanding the provisions of the merger agreement described above, prior to the time that the MoneyGram Stockholder Approval is obtained, if MoneyGram receives an unsolicited bona fide written Company acquisition proposal that does not result from a breach of such foregoing restrictions and our board of directors concludes in good faith (after consultation with our outside legal and financial advisors) that such Company acquisition proposal constitutes a Company superior proposal (as defined in The Merger Agreement No Solicitation) or could reasonably be expected to result in a Company superior proposal, MoneyGram may:

enter into and maintain discussions or negotiations with the person making such Company acquisition proposal; and

furnish non-public information and afford access to the business, employees, officers, contracts, properties, assets, books and records of MoneyGram and our subsidiaries to the person making such Company acquisition proposal.

Conditions to Completion of the Merger

(Page 95)

The respective obligations of us, Alipay and Merger Sub to complete the merger are subject to the satisfaction or waiver of certain conditions, including, but not limited to:

the approval and adoption of the merger agreement by our stockholders;

the waiting period (and any extension thereof) applicable to the consummation of the merger under the HSR Act has expired or terminated;

CFIUS Approval has been obtained;

the absence of any order, law or other legal restraint that prohibits or makes illegal the consummation of the merger; and

the accuracy of the representations and warranties of the other party (subject to specified materiality, material adverse effect and other qualifications) and the performance in all material respects by the other party or parties of its obligations.

The obligations of Alipay and Merger Sub to complete the merger are subject to the satisfaction or waiver of certain additional conditions, including, but not limited to:

the required money transfer permits have been made or obtained, as applicable, and remain in full force and effect and all statutory waiting periods relating to such required money transfer permits have expired or been terminated (in each case, without the imposition of any burdensome condition); and

CFIUS Approval shall have been obtained without the imposition of a burdensome condition.

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Termination

(Page 96)

The merger agreement may be terminated at any time prior to the effective time of the merger (subject to certain limitations):

by mutual written consent of Alipay and MoneyGram;

by either Alipay or MoneyGram, if:

any governmental entity which must grant a required money transfer permit has denied approval and such denial has become final and non-appealable;

any governmental entity of competent jurisdiction has issued a final non-appealable order enjoining or otherwise prohibiting the consummation of the transactions contemplated by the merger agreement (referred to as the *injunction termination right*);

the merger has not been consummated on or before January 26, 2018 (provided, that such date may be extended by either MoneyGram or Alipay to April 26, 2018 in the event that all conditions to the obligations of the parties to consummate the merger are satisfied or waived, other than the condition regarding the required money transfer permits) (referred to as the *end date termination right*);

if the other party (or, in the case of Alipay, either Guarantor or Merger Sub) has breached any of the covenants, agreements, representations or warranties made by such other party (or, in the case of Alipay, either Guarantor or Merger Sub) set forth in the merger agreement and such breach (i) is not cured within 30 days following written notice to the party committing the breach, or which breach, by its nature, cannot be cured prior to the closing date of the merger and (ii) would entitle the non-breaching party not to consummate the transactions contemplated by the merger agreement (referred to as the *material breach termination right*);

the MoneyGram Stockholder Approval has not been obtained at a meeting of MoneyGram's stockholders (including any adjournment or postponement thereof) (referred to as the *failure to obtain stockholder approval termination right*);

by Alipay, prior to obtaining the MoneyGram Stockholder Approval, if:

our board of directors has effected a change of recommendation, whether or not permitted under the merger agreement;

MoneyGram fails to call and hold a meeting of its stockholders in breach of the merger agreement or materially breaches the no solicitation provisions of the merger agreement;

MoneyGram has failed to publicly recommend against any tender offer or exchange offer that constitutes a Company acquisition proposal within 10 business days after the commencement of such tender offer or exchange offer; or

to the extent requested by Alipay, MoneyGram fails to publicly reaffirm its recommendation within 10 business days after a Company acquisition proposal has been publicly announced (or, if later, within three business days of Alipay's request) (referred to as the change of recommendation termination right);

by MoneyGram, if:

(i) all the conditions to Alipay's obligation to complete the transaction have been satisfied or waived by Alipay (other than those conditions that by their nature are to be satisfied at the closing), (ii) MoneyGram has delivered written notice to Alipay that (a) all the conditions to

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Alipay's obligation to complete the transaction have been satisfied or waived by Alipay (other than those conditions that by their nature are to be satisfied at the closing), (b) all the conditions to the MoneyGram's obligation to complete the transaction have been satisfied or waived by MoneyGram (other than those conditions that by their nature are to be satisfied at the closing) and (c) MoneyGram is ready, willing and able to consummate the closing and (iii) Alipay and Merger Sub have failed to consummate the closing on or before the third business day after delivery of the notice referred to in clause (ii) above (or, if earlier, the business day immediately prior to the end date (as summarized below)) and MoneyGram stood ready, willing and able to consummate the closing throughout such period (referred to as the "failure to close termination right"); or

prior to obtaining the MoneyGram Stockholder Approval, (i) our board of directors authorizes MoneyGram, subject to the terms of the merger agreement, to enter into a binding definitive agreement to effect a transaction constituting a Company superior proposal, (ii) prior to or concurrently with such termination of the merger agreement MoneyGram pays to Alipay in immediately available funds the \$30 million termination fee described below in "Termination Fees and Expenses" and (iii) MoneyGram enters into such binding definitive agreement substantially concurrently with such termination (referred to as the "superior proposal termination right").

Termination Fees and Expenses

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MoneyGram Termination Fee

MoneyGram is required to pay Alipay a termination fee of \$30 million if the merger agreement is terminated as follows:

if the merger agreement is terminated by (i) Alipay pursuant to Alipay's change of recommendation termination right or (ii) MoneyGram pursuant to the Company's superior proposal termination right;

if the merger agreement is terminated:

(i) by either Alipay or MoneyGram pursuant to the end date termination right or by Alipay pursuant to the material breach termination right or (ii) by either Alipay or MoneyGram pursuant to the failure to obtain stockholder approval termination right; and

in the case of clause (i) in the immediately preceding bullet, a Company acquisition proposal, whether or not conditional, has been publicly announced or otherwise communicated to our board of directors at any time after the date of the merger agreement and prior to the termination of the merger agreement or, in the case of clause (ii) in the immediately preceding bullet, a Company acquisition proposal, whether or not conditional, has been publicly announced and not withdrawn prior to a meeting of MoneyGram's stockholders; and

within 12 months of such termination MoneyGram or any of our subsidiaries enters into an agreement with respect to (or consummates) any Company acquisition proposal, whether or not with a person that made a Company acquisition proposal prior to the date of such termination (provided that the term

Company acquisition proposal will have the meaning assigned to such term, except that all percentages contained in the term Company acquisition proposal will be changed to 50% for purposes of this and the immediately preceding sub-bullet).

Notwithstanding the immediately preceding bullet, the \$30 million termination fee will not be payable to Alipay if (i) the \$60 million termination fee is payable by Alipay to MoneyGram pursuant to the second bullet in the next paragraph or (ii) the \$17.5 million termination fee is payable by Alipay to MoneyGram pursuant to the

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second bullet in the paragraph following the next paragraph (unless, with respect to this clause (ii), the agreement with respect to a Company acquisition proposal (or the consummated transaction) referenced in the immediately preceding bullet is with a person that made a Company acquisition proposal following the date of the merger agreement and prior to the date of the termination of the merger agreement). See the section entitled *The Merger Agreement Termination Fees and Expenses MoneyGram Termination Fee*.

Alipay Termination Fee and Alipay Regulatory Termination Fee

Alipay is required to pay MoneyGram a termination fee of \$60 million if the merger agreement is terminated as follows:

by MoneyGram pursuant to its failure to close termination right; or

by MoneyGram pursuant to material breach termination right or by Alipay pursuant to its injunction termination right as a result of a final non-appealable order issued by the President of the U.S. pursuant to the Defense Production Act prohibiting the consummation of the transactions contemplated by the merger agreement, which resulted or was caused by Alipay or Merger Sub's willful and material breach of its covenants and agreements for which MoneyGram was not able to obtain or enforce specific performance or an injunction as a remedy for such willful and material breach or such remedy was not available.

Alipay is required to pay MoneyGram a termination fee of \$17.5 million if the merger agreement is terminated as follows:

by Alipay or MoneyGram pursuant to its injunction termination right as a result of a final non-appealable order issued by the President of the U.S. pursuant to the Defense Production Act prohibiting the consummation of the transactions contemplated by the merger agreement; provided that at the time of such termination, MoneyGram's failure to perform or observe its covenants and agreements was not the primary cause of the order;

by Alipay or MoneyGram pursuant to its end date termination right, if at the time of such termination all of the conditions to Alipay's obligation to complete the transaction have been satisfied or waived by Alipay other than the following conditions (and MoneyGram's failure to perform or observe its covenants and agreements in the merger agreement was not the primary cause of the failure of any such conditions):

CFIUS Approval has been obtained;

there is no injunction or order issued by any governmental entity of competent jurisdiction preventing the consummation of the merger (as a result of a final non-appealable order issued by the President of the U.S. pursuant to the Defense Production Act prohibiting the consummation of the transactions contemplated by the merger agreement); or

CFIUS Approval has been obtained without the imposition of a burdensome condition. Additionally, the Guarantor absolutely, unconditionally and irrevocably guarantees the due, punctual and full payment and performance of Alipay's and Merger Sub's obligations to pay the Alipay termination fees (including any expense and interest payments), if and when owed. See the section entitled "The Merger Agreement - Termination Fees and Expenses - Alipay Termination Fee and Alipay Regulatory Termination Fee."

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Payment Guarantee

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Concurrently with the execution of the merger agreement, Alipay provided to MoneyGram an irrevocable payment guarantee issued by Citibank N.A., Hong Kong branch (the payment guarantee issuer) for the benefit of MoneyGram, pursuant to which the payment guarantee issuer shall pay MoneyGram up to \$45 million in the event the payment guarantee issuer receives (a) a demand from MoneyGram stating the amount being claimed and certifying that either the \$60 million termination fee, and any related interest and expenses, or the \$17.5 million termination fee, and any related interest and expenses is due and payable to MoneyGram under the merger agreement and that Alipay has failed to effect payment of the \$60 million termination fee or the \$17.5 million termination fee (or any related fees or expenses) due under the merger agreement and (b) the original payment guarantee.

The Voting and Support Agreements

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On January 26, 2017, in connection with the execution of the merger agreement, THL and certain directors and officers of MoneyGram, who collectively hold approximately 46% of the outstanding Common Stock, entered into voting and support agreements with Alipay and MoneyGram, where THL and each of such directors and officers agreed to, among other things, vote all of the Common Stock owned by such person (a) in favor of the approval and adoption of the merger agreement and (b) against (i) any Company acquisition proposal, or any other proposal made in opposition to, in competition with, or inconsistent with the merger agreement, the merger or the transactions contemplated by the merger agreement and (ii) any other action, agreement or proposal that could reasonably be expected to delay, postpone or adversely affect the consummation of the merger.

The voting and support agreements will automatically terminate upon the termination of the merger agreement in accordance with its terms, including upon a termination of the merger agreement by MoneyGram or upon any amendment, modification, change or waiver of the merger agreement that reduces the amount of or changes the form of the merger consideration.

However, in the event our board of directors changes its recommendation with respect to the merger (other than in connection with a third party acquisition proposal) in accordance with the terms of the merger agreement, the number of each stockholder's shares of Common Stock subject to the voting and support agreement shall be reduced, pro rata, such that the aggregate amount of Common Stock subject to all of the voting and support agreements, taken together, equals 35% of the outstanding Common Stock of MoneyGram as of the record date for the special meeting called to approve and adopt the merger agreement.

Market Price of Our Common Stock

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Our Common Stock is listed on the NASDAQ under the symbol MGI. On January 25, 2017, the last full trading day prior to the public announcement of the proposed merger, our Common Stock closed at \$11.88. On April 7, 2017, the last practicable trading day prior to the date of this proxy statement, our Common Stock closed at \$16.29. We encourage stockholders to obtain a current market quotations for our Common Stock in connection with voting your shares, but caution stockholders that, during the pendency of the merger, the trading price of our Common Stock may be impacted by the fact that we have entered into the merger agreement and investors' speculating as to the likelihood

and timing of the closing of the merger.

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The Timing of the Merger

We currently expect the merger to be completed in the second half of 2017. However, we cannot predict the exact timing of the consummation of the merger or whether the merger will be consummated. In order to consummate the merger, MoneyGram stockholders must approve and adopt the merger agreement at the special meeting and the other closing conditions under the merger agreement, including receipt of certain regulatory approvals, must be satisfied or, to the extent legally permitted, waived. See the section entitled "The Merger Agreement - Conditions to Completion of the Merger."

Recent Developments Regarding the Euronet Proposal

(Page 108)

On March 14, 2017, MoneyGram received the Euronet proposal. Our board of directors has determined that the Euronet proposal could reasonably be expected to lead to a Company superior proposal and is in the process of further evaluating the Euronet proposal. Our board of directors has not determined that the Euronet proposal is in fact a Company superior proposal. At this time, our board of directors continues to believe that the merger is in our best interests and those of our stockholders and has not changed its recommendation that our stockholders vote **FOR** the adoption and approval of the merger agreement. Our board of directors does not yet know when it will complete its evaluation of the Euronet proposal and there is no obligation under the merger agreement for any final determination to be made within a specified time period.

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING

The following questions and answers are intended to address briefly some commonly asked questions regarding the merger, the merger agreement and the special meeting. These questions and answers may not address all questions that may be important to you as a stockholder. Please refer to the Summary and the more detailed information contained elsewhere in this proxy statement, the annexes to this proxy statement and the documents referred to or incorporated by reference in this proxy statement, which you should read carefully. You may obtain the information incorporated by reference in this proxy statement without charge by following the instructions under the section entitled Where You Can Find More Information. Throughout this proxy statement, we, us and our refer to MoneyGram.

Q: What is the merger?

A: The merger is the acquisition of MoneyGram by Alipay pursuant to the merger agreement. Once the merger agreement has been approved and adopted by MoneyGram's stockholders and the other closing conditions under the merger agreement have been satisfied or waived, Merger Sub will merge with and into MoneyGram. MoneyGram will be the surviving corporation in the merger and will become a wholly owned subsidiary of Alipay.

Q: Why am I receiving the proxy materials?

A: You are receiving this proxy statement and the enclosed proxy card or enclosed voting instruction form because our board of directors is soliciting your proxy to vote at the special meeting of MoneyGram's stockholders in connection with a proposal to approve and adopt the merger agreement. In addition, our board of directors is soliciting your vote on an advisory, non-binding proposal to approve compensation that will or may become payable to MoneyGram's named executive officers in connection with the merger.

Q: What will I receive in the merger?

A: If the merger is completed, you will be entitled to receive the merger consideration of \$13.25, without interest, for each share of our Common Stock that you own at the effective time of the merger. For example, if you own 100 shares of our Common Stock, you will receive \$1,325.00 in cash, less any required withholding taxes, in exchange for those shares unless you have properly exercised your appraisal rights in accordance with Section 262 of the DGCL with respect to such shares. You will not receive any shares of capital stock in the surviving corporation.

Q: How does our board of directors recommend I vote?

A:

Our board of directors has adopted resolutions (i) determining that the merger and other transactions contemplated by the merger agreement are fair to, and in the best interests of the stockholders of MoneyGram, (ii) approving, adopting and declaring advisable and authorized in all respects the merger agreement, the voting and support agreements and the merger and other transactions contemplated by the merger agreement, (iii) directing that the merger be submitted to the stockholders of MoneyGram for approval at a meeting of such stockholders and (iv) recommending that MoneyGram's stockholders approve the merger and approve all other actions or matters necessary or desirable to give effect to the merger pursuant to the DGCL. Our board of directors unanimously recommends that all of our stockholders vote **FOR** the approval and adoption of the merger agreement. The reasons for our board of directors' determination are discussed in this proxy statement. Additionally, our board of directors unanimously recommends that you vote **FOR** the proposal to approve compensation that will or may become payable to MoneyGram's named executive officers in connection with the merger.

For a summary of the effect of the Euronet proposal on the merger and the recommendation of our board of directors, please see the section entitled "Summary Recent Developments Regarding the Euronet Proposal" beginning on page 16 of this proxy statement.

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Q: Who will own MoneyGram after the merger?

A: After the merger, MoneyGram will be a wholly owned subsidiary of Alipay. As a result of the receipt of cash in exchange for your shares of Common Stock following the merger, you will no longer benefit from any increase in MoneyGram's value, nor will you acquire an ownership interest in Alipay.

Q: How will Euronet's recently announced unsolicited written proposal to acquire MoneyGram affect the merger and the recommendation of our board of directors?

A: On March 14, 2017, MoneyGram announced that it had received the Euronet proposal. The Euronet proposal is subject to completion by Euronet of satisfactory due diligence, negotiation of a definitive written agreement and approval by Euronet's board of directors. Our board of directors has had preliminary discussions regarding the Euronet proposal, in consultation with our management and our legal and financial advisors. Our board of directors has determined that the Euronet proposal could reasonably be expected to lead to a Company superior proposal and is in the process of further evaluating the Euronet proposal. Our board of directors has not determined that the Euronet proposal is in fact a Company superior proposal. At this time, our board of directors continues to believe that the merger is in our best interests and those of our stockholders and has not changed its recommendation that our stockholders vote **FOR** the adoption and approval of the merger agreement. However, in the exercise of its fiduciary duties, our board of directors believes that a full assessment of the Euronet proposal should be conducted before making any final determination regarding the Euronet proposal. Upon concluding its evaluation of the Euronet proposal, should our board of directors determine that the Euronet proposal is not a Company superior proposal, it will take such steps as are necessary to allow stockholders sufficient time to make an informed decision regarding whether to approve and adopt the merger agreement in light of such new information. These steps may include, if appropriate, adjourning or postponing the special meeting. In considering whether to adjourn or postpone the special meeting and the duration of any such adjournment or postponement, our board of directors will consider all of the facts and circumstances surrounding the definitive proposal, including the timing, magnitude and complexity of the new information. Please see the section entitled "The Special Meeting - Revocability of Proxies" beginning on page 29 of this proxy statement for a description of the methods by which you can change your vote or revoke your proxy before the special meeting.

If the MoneyGram Stockholder Approval is obtained, the merger agreement would require (unless terminated in accordance with its terms) that we consummate the merger upon satisfaction or waiver of the other conditions to closing, even if an alternative proposal to acquire MoneyGram is made after the MoneyGram Stockholder Approval is obtained. After the MoneyGram Stockholder Approval is obtained, no further stockholder approval is required in order to consummate the merger. Our board of directors does not yet know when it will complete its evaluation of the Euronet proposal and there is no obligation under the merger agreement for any final determination to be made within a specified time period. There can be no assurances that our board of directors will determine that the Euronet proposal constitutes a Company superior proposal or, if it makes such a determination, that a transaction with Euronet will be consummated.

Q: Why didn't our board of directors wait until it had received a definitive proposal from Euronet to set the date for the stockholders meeting and mail the proxy statement?

- A: There is no assurance that Euronet will make a definitive proposal to acquire MoneyGram or, if one is made, that our board of directors will determine it to be a Company superior proposal under the merger agreement. Meanwhile, the merger agreement provides that MoneyGram will schedule a stockholders meeting and mail the proxy statement as promptly as practicable after the SEC confirms it has no further comments to the preliminary proxy statement. MoneyGram's preliminary proxy statement was filed with the SEC on March 2, 2017, and on March 13, 2017, the SEC staff confirmed that it would not review the preliminary proxy statement.

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Q: What will happen if our board of directors determines that any definitive Euronet proposal is a Company superior proposal?

A: In the event our board of directors receives a definitive proposal from Euronet that our board of directors determines in good faith after consultation with its outside legal and financial advisors constitutes a Company superior proposal, then, subject to complying with certain provisions of the merger agreement (including the provision that requires us to provide Alipay with the opportunity to negotiate with us to revise the terms of the merger such that the Euronet proposal no longer constitutes a Company superior proposal), our board of directors may elect to terminate the merger agreement in order to enter into a definitive agreement with respect to the Company superior proposal, provided that Alipay shall have received a termination fee of \$30 million. In the event our board of directors terminates the merger agreement prior to the date of the special meeting, we will not hold the special meeting, and any proxies received by us will have no force or effect. Instead, we will separately prepare and mail to our stockholders a proxy statement and proxy cards related to the Company superior proposal.

For additional information regarding the circumstances in which our board of directors is permitted to terminate the merger agreement to accept a Company superior proposal, please see [The Merger Agreement Termination](#) beginning on page 96 of this proxy statement.

Q: When do you expect the merger to be completed?

A: We are working to complete the merger as soon as possible. The merger cannot be completed until each closing condition has been satisfied or, to the extent legally permitted, waived. While we cannot predict the exact timing of the effective time of the merger or whether the merger will be consummated, assuming timely satisfaction of necessary closing conditions and that MoneyGram provides certain required information in connection with the debt financing for the merger, we anticipate that the merger will be completed during the second half of 2017. If our stockholders vote to approve and adopt the merger agreement, the merger will become effective as promptly as practicable following the satisfaction or waiver of the other conditions to the merger. See the section entitled [The Merger Agreement Conditions to Completion of the Merger](#) beginning on page 95 of this proxy statement.

Q: What happens if the merger is not completed?

A: If the merger agreement is not approved and adopted by our stockholders or if the merger is not completed for any other reason, our stockholders will not receive any payment for their shares of our Common Stock in connection with the merger. Instead, we will remain an independent public company and our Common Stock will continue to be listed and traded on the NASDAQ. Under specified circumstances, we may be required to pay to Alipay a fee, or Alipay may be required to pay us a fee, with respect to the termination of the merger agreement as described under the section entitled [The Merger Agreement Termination Fees and Expenses](#) beginning on page 98 of this proxy statement.

Q: What are the material U.S. federal income tax consequences of the merger to me?

A: The receipt of cash in exchange for shares of our Common Stock pursuant to the merger generally will be a taxable transaction for U.S. federal income tax purposes. Generally, you will recognize gain or loss equal to the difference between the amount of cash you receive and the adjusted tax basis of your shares of our Common Stock. If you are a U.S. holder (as defined in *The Merger Material United States Federal Income Tax Consequences of the Merger*), you generally will be subject to U.S. federal income tax on any gain recognized in connection with the merger. If you are a non-U.S. holder, you generally will not be subject to U.S. federal income tax on any gain recognized in connection with the merger unless you have certain connections to the United States. The tax consequences of the merger to you will depend on your particular circumstances, and you should consult your own tax advisors to determine how the merger will affect you. For a more detailed summary of the tax consequences of the merger, see the section entitled *The Merger Material United States Federal Income Tax Consequences of the Merger* beginning on page 76 of this proxy statement.

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Q: What will happen in the merger to stock options, restricted stock and other stock-based awards that have been granted to employees, officers and directors of MoneyGram?

A: The merger agreement provides that each MoneyGram Option (whether or not vested) will be automatically terminated at the effective time of the merger and converted into the right to receive, less applicable withholding taxes, an amount in cash determined by multiplying (i) the excess, if any, of the merger consideration over the applicable exercise price per share of Common Stock subject to the MoneyGram Option by (ii) the number of shares of Common Stock (determined without reference to vesting requirements or other limitations on exercisability) issuable upon exercise of such MoneyGram Option and each MoneyGram RSU (other than any MoneyGram RSUs held by non-employee directors) shall be automatically converted into a cash-settled long-term incentive award, representing a right to receive an amount of cash, without interest, equal to the per share merger consideration, on the same vesting terms and conditions applicable to the MoneyGram RSU immediately before the effective time of the merger.

Q: Do any of our directors or officers have interests in the merger that may differ from or be in addition to my interests as a stockholder?

A: Yes. In considering the recommendation of our board of directors with respect to the approval and adoption of the merger agreement, you should be aware that our directors and executive officers have interests in the merger that are different from, or in addition to, the interests of our stockholders generally. Our board of directors was aware of and considered these interests, among other matters, in making its determinations and recommendations in connection with the merger agreement and the transactions contemplated thereby. See the section entitled "The Merger Interests of MoneyGram's Executive Officers and Directors in the Merger" beginning on page 59 of this proxy statement.

Q: When and where is the special meeting?

A: The special meeting of our stockholders will be held on May 16, 2017, at 8 a.m. Central Time, at Vinson & Elkins, L.L.P., 39th Floor, Dallas, Texas 75201.

Q: What vote is needed to approve and adopt the merger agreement?

A: The affirmative vote of holders of at least a majority of the shares of our outstanding Common Stock entitled to vote as of the record date is required to approve and adopt the merger agreement. Goldman Sachs, the sole holder of Series D Preferred Stock has delivered its irrevocable consent to the merger and the treatment of the Series D Preferred Stock in the merger agreement. In addition, in connection with the signing of the merger agreement, we have also entered voting and support agreements whereby certain holders of our Common Stock who collectively hold, as of the record date, approximately 46% of our outstanding Common Stock have agreed to vote in favor of approving and adopting the merger agreement. However, in the event our board of directors changes its recommendation with respect to the merger (other than in connection with a third party acquisition proposal) in accordance with the terms of the merger agreement, the number of each stockholder's shares of Common Stock

subject to the voting and support agreement shall be reduced, pro rata, such that the aggregate amount of Common Stock subject to all of the voting and support agreements, taken together, equals 35% of the outstanding Common Stock of MoneyGram as of the record date for the special meeting called to approve and adopt the merger agreement. See the section entitled "The Voting and Support Agreements" beginning on page 103 of this proxy statement.

Q: Why are we asking that our stockholders approve, on an advisory, non-binding basis, certain compensation arrangements for our named executive officers?

A: The SEC rules require that we provide our stockholders with the opportunity to vote on this proposal. However, approval of this proposal is not a condition to completion of the merger, and the vote with respect to this proposal is only an advisory vote by stockholders. Accordingly, the vote will not be binding on us or

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Alipay, our or their board of directors or our compensation committee. If the merger is completed, the compensation that is the subject of the proposal may be paid to our named executive officers in accordance with the terms and conditions of their compensation agreements and arrangements even if our stockholders do not approve this proposal.

Q: What vote is needed to approve the advisory, non-binding proposal relating to certain merger-related executive compensation arrangements for our named executive officers?

A: The affirmative vote of a majority of the shares of our Common Stock present in person or represented by proxy at the special meeting and entitled to vote is required to approve the advisory, non-binding proposal relating to certain merger-related executive compensation arrangements for our named executive officers.

Q: Am I entitled to rights of appraisal under the DGCL?

A: If the merger is completed, stockholders who do not vote in favor of the approval and adoption of the merger agreement and who properly demand appraisal of their shares will be entitled to appraisal rights in connection with the merger under Section 262 of the DGCL. This means that holders of shares of our Common Stock are entitled to have their shares appraised by the Delaware Court of Chancery and to receive payment in cash of the fair value of the shares of Common Stock, exclusive of any elements of value arising from the accomplishment or expectation of the merger, together with interest on the amount determined to be fair value, if any, as determined by the court. Stockholders who wish to seek appraisal of their shares are in any case encouraged to seek the advice of legal counsel with respect to the exercise of appraisal rights due to the complexity of the appraisal process. The DGCL requirements for exercising appraisal rights are described in additional detail in this proxy statement, and the relevant section of the DGCL regarding appraisal rights is reproduced in Annex E to this proxy statement. See the section entitled *The Merger Appraisal Rights* beginning on page 70 of this proxy statement.

Q: Who can vote at the special meeting?

A: MoneyGram has two classes of capital stock outstanding: Common Stock and the Series D Preferred Stock. Stockholders of record of our Common Stock as of the close of business on April 7, 2017, the record date for the special meeting, are entitled to receive notice of the special meeting and vote their shares at the meeting. Each holder of Common Stock is entitled to one vote for each share of the Common Stock held on the record date for each of the proposals set forth in this proxy statement. There is no cumulative voting. Goldman Sachs, as the sole holder of Series D Preferred Stock, is not entitled to vote its shares of Series D Preferred Stock at the special meeting. In connection with the execution of the merger agreement, Goldman Sachs, as the sole holder of Series D Preferred Stock, delivered an irrevocable written consent approving the merger and the treatment of the Series D Preferred Stock in the merger agreement.

Q: How do I vote if I am the record holder of my shares?

A: You are entitled to vote at the meeting if you are a stockholder of record of Common Stock on the record date.
You may vote:

in person by appearing and casting your vote at the special meeting; or

by proxy. Stockholders of record have a choice of submitting a proxy:

by using the Internet voting instructions printed on your proxy card;

by using the telephone voting instructions printed on your proxy card; or

by completing, signing, dating and returning each enclosed proxy card you receive in the enclosed postage paid envelope.

If you are granting a proxy to vote by telephone or via the Internet, your voting instructions must be received by the date and time indicated on the applicable proxy card(s).

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Granting a proxy to vote via the Internet, by telephone or by mailing in your proxy card will not prevent you from voting in person at the special meeting. You are encouraged to submit a proxy by mail, via the Internet or by telephone even if you plan to attend the special meeting in person, to ensure that your shares of Common Stock are present in person or represented at the special meeting.

If you return a properly signed and dated proxy card but do not mark the box showing how you wish to vote, your shares will be voted **FOR** the proposal to approve and adopt the merger agreement and **FOR** the non-binding, advisory proposal to approve compensation that will or may become payable to MoneyGram's named executive officers in connection with the merger. With respect to any other matter that properly comes before the special meeting, shares present in person or represented by all proxies received by MoneyGram will be voted with respect to such matter in accordance with the judgment of the persons named as attorneys-in-fact in the proxies.

Q: How do I vote if my shares are held by my brokerage firm, bank, trust or other nominee?

A: If your shares are held in a brokerage account or by another nominee, such as a bank or trust, then you are considered to be the beneficial owner of those shares, with your shares being held in street name. Street name holders generally cannot vote their shares directly and must instead instruct the brokerage firm, bank, trust or other nominee how to vote their shares. Your brokerage firm, bank, trust or other nominee will only be permitted to vote your shares for you at the special meeting if you instruct it how to vote. Therefore, it is important that you promptly follow the directions provided by your brokerage firm, bank, trust or other nominee regarding how to instruct it to vote your shares. If you wish to vote in person at the special meeting, you must bring a proxy from your brokerage firm, bank, trust or other nominee authorizing you to vote at the special meeting.

In addition, because any shares you may hold in street name will be deemed to be held by a different stockholder than any shares you hold of record, shares held in street name will not be combined for voting purposes with shares you hold of record. To be sure your shares are voted, you should instruct your brokerage firm, bank, trust or other nominee to vote your shares. Shares held by a corporation or business entity must be voted by an authorized officer of the entity.

Q: What happens if I do not vote?

A: The vote to approve and adopt the merger agreement is based on the total number of shares of Common Stock outstanding as of the close of business on the record date, not just the shares that are voted. If you do not vote, it will have the same effect as a vote against the proposal to approve and adopt the merger agreement. If you do not vote and there is a quorum present at the special meeting, it will have no impact on the proposal to approve compensation that will or may become payable to MoneyGram's named executive officers in connection with the merger.

Q: What is the difference between a stockholder of record and a beneficial owner of shares held in street name?

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

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

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Q: How can I change or revoke my vote?

A: Proxies may be revoked or changed if you:

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

deliver a signed proxy, dated later than the prior proxy and which must be received prior to the special meeting, to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717;

vote again by telephone or on the Internet by 11:59 p.m. on the day before the special meeting; or

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

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

Q: What is a proxy?

A: A proxy is your legal designation of another person, referred to as a proxy, to vote your shares of stock. The written document describing the matters to be considered and voted on at the special meeting is called a proxy statement. The document used to designate a proxy to vote your shares of stock is called a proxy card. Our board of directors has designated Pamela H. Patsley and F. Aaron Henry, and each of them, with full power of substitution, as proxies for the special meeting.

Q: If a stockholder gives a proxy, how are the shares of Common Stock voted?

A: Regardless of the method you choose to vote, the individuals named on the enclosed proxy card, as your proxies, will vote your shares of Common Stock in the way that you indicate. When completing the Internet or telephone processes or the proxy card, you may specify whether your shares of Common Stock should be voted for or against, or to abstain from voting, on all, some or none of the specific items of business to come before the special meeting.

If you are the stockholder of record, and you properly sign your proxy card but do not mark the boxes showing how your shares should be voted on a matter, the shares represented by your properly signed proxy will be voted **FOR** the proposal to approve and adopt the merger agreement and **FOR** the non-binding, advisory proposal to approve compensation that will or may become payable to MoneyGram's named executive officers in connection with the

merger. If you are the beneficial owner of shares held in street name, your broker will not be able to vote your shares without instructions from you.

Q: What do I do if I receive more than one proxy or set of voting instructions?

A: If you hold shares of Common Stock in street name and also directly as a record holder or otherwise, you may receive more than one proxy and/or set of voting instructions relating to the special meeting. Each proxy should be voted and/or returned separately in accordance with the instructions provided in this proxy statement in order to ensure that all of your shares of Common Stock are voted.

Q: What happens if I sell my shares of Common Stock before the special meeting?

A: The record date for stockholders entitled to vote at the special meeting is earlier than the date of the special meeting. If you transfer your shares of Common Stock after the record date but before the special meeting you will, unless special arrangements are made, retain your right to vote at the special meeting but will transfer the right to receive the merger consideration to the person to whom you transfer your shares.

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Q: Who will solicit and pay the cost of soliciting proxies?

A: The expenses of preparing, printing and mailing this proxy statement and the proxies solicited hereby will be borne by us. Our directors, officers and employees may also solicit proxies by telephone, by facsimile, by mail, on the Internet or in person. They will not be paid any additional amounts for soliciting proxies. We have engaged Morrow Sodali, LLC (Morrow Sodali) to assist in the solicitation of proxies for the special meeting. We estimate that we will pay Morrow Sodali a fee of approximately \$20,000, plus customary administrative fees for expenses related to calls made to or received from our stockholders. We will reimburse Morrow Sodali for reasonable out-of-pocket expenses and will indemnify Morrow Sodali and its affiliates against certain claims, liabilities, losses, damages and expenses.

We may also reimburse brokers, banks and other custodians, nominees and fiduciaries representing beneficial owners of shares of Common Stock for their expenses in forwarding soliciting materials to beneficial owners of Common Stock and in obtaining voting instructions from those owners.

Q: What do I need to do now?

A: Even if you plan to attend the special meeting, after carefully reading and considering the information contained in this proxy statement, please submit a proxy promptly to ensure that your shares are represented and voted at the special meeting. If you hold your shares of Common Stock in your own name as the stockholder of record, please submit a proxy to have your shares of Common Stock voted at the special meeting by completing, signing, dating and returning the enclosed proxy card in the accompanying prepaid reply envelope; by using the telephone number printed on your proxy card; or by using the Internet instructions printed on your proxy card. If you decide to attend the special meeting and vote in person, your vote by ballot will revoke any proxy previously submitted. If you are a beneficial owner, please refer to the instructions provided by your bank, brokerage firm or other nominee to see which of the above choices are available to you.

Q: Should I send in my MoneyGram stock certificates now?

A: No. After the merger is completed, you will receive written instructions for exchanging your shares of our Common Stock for the merger consideration for each share of our Common Stock that you own at the effective time of the merger, subject to the terms of the merger agreement.

Q: I do not know where my stock certificate is. How will I get the merger consideration for my shares?

A: If the merger is completed, the transmittal materials you will receive after the completion of the merger will include the procedures that you must follow if you cannot locate your stock certificate. This will include an affidavit that you will need to sign attesting to the loss of your stock certificate. MoneyGram may also require that you provide a customary indemnity agreement to MoneyGram in order to cover any potential loss.

Q: Who can help answer my other questions?

A: If you have additional questions about the merger, need assistance in submitting your proxy or voting your shares of Common Stock, or need additional copies of the proxy statement or the enclosed proxy card, please call Morrow Sodali, our proxy solicitor, who may be contacted by banks and brokers at 1-203-658-9400 and by all others toll-free at 1-800-662-5200.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement and the documents incorporated by reference herein may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, 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, v similar expressions are intended to identify some of the forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and are included, along with this statement, for purposes of complying with the safe harbor provisions therein. These statements include, but are not limited to, the expected timing of the merger; the ability of Alipay and MoneyGram to close the merger; the performance of the parties under the terms of the merger agreement and the voting and support agreements; and statements regarding future performance. All of such information and statements are subject to certain risks and uncertainties, the effects of which are difficult to predict and generally beyond our control, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. Investors are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date of this proxy statement. Investors are also urged to carefully review and consider the various disclosures in our periodic and interim reports filed with the SEC, including but not limited to our Annual Report on Form 10-K for the year ended December 31, 2016 and the Current Reports on Form 8-K filed from time to time by us, as well as the following factors:

uncertainties associated with the acquisition of MoneyGram by Alipay;

the evaluation by our board of directors of the Euronet proposal, including its final determination regarding the Euronet proposal;

uncertainties as to the timing of the merger and the possibility that the merger may not be completed;

the failure to receive approval of the merger by our stockholders;

the ability of the parties to satisfy closing conditions to the merger, including the receipt of regulatory approvals;

the impact of the pendency of the merger on our business, including our relationships with agents, customers and employees;

changes in economic, business, competitive, technological and/or regulatory factors;

the outcome of any legal proceedings that have been or may be instituted against MoneyGram and/or others relating to the merger agreement;

failure of a party to comply with its obligations under the merger agreement and/or voting and support agreements; and

the amount of costs, fees and expenses we have, and may incur, related to the merger, whether or not the merger is ultimately completed.

Consequently, all of the forward-looking statements we make in this document are qualified by the information contained or incorporated by reference herein, including, but not limited to, (a) the information contained under this heading and (b) the information contained in Part I, Item 1A under the caption **Risk Factors** of our Annual Report on Form 10-K for the year ended December 31, 2016, as well as the various factors described herein. We are under no obligation to publicly release any revision to any forward-looking statement contained or incorporated herein to reflect any future events or occurrences.

You should carefully consider the cautionary statements contained or referred to in this section in connection with any subsequent written or oral forward-looking statements that may be issued by us or persons acting on our behalf.

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THE PARTIES TO THE MERGER

MoneyGram

MoneyGram International, Inc.

2828 N. Harwood Street, 15th Floor

Dallas, Texas 75201

(214) 999-7552

MoneyGram is a global provider of innovative money transfer services and is recognized worldwide as a financial connection to friends and family. 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. MoneyGram primarily offers services through third-party agents, including retail chains, independent retailers, post offices and other financial institutions. It also offers Digital solutions such as moneygram.com, mobile solutions, account deposit and kiosk-based services. Additionally, MoneyGram has company-operated retail locations in the U.S. and Western Europe. The Financial Paper Products segment provides official check outsourcing services and money orders through financial institutions and agent locations. MoneyGram's Common Stock is listed on the NASDAQ under the symbol MGI. Additional information regarding MoneyGram is contained in our filings with the SEC. Also, see the section of this proxy statement entitled "Where You Can Find More Information."

Alipay

Alipay (UK) Limited

5 Southampton Street

Covent Garden, London WC2E 7HA

United Kingdom

+44(0) 207 395 8310

Alipay is a company with limited liability incorporated under the laws of England and Wales and is the sole shareholder of Merger Sub. The sole stockholder of Alipay is Guarantor. Alipay is a subsidiary of Ant Financial and carries out marketing and business development activities for Ant Financial. Ant Financial is engaged in the business of using technology to provide inclusive financial services to individuals as well as small and micro enterprises.

Merger Sub

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Causeway Bay, Hong Kong

(+852) 2215 5100

Merger Sub is a Delaware corporation that was formed solely for the purpose of entering into the merger agreement and consummating the transactions contemplated by the merger agreement. Merger Sub has not engaged in any business except for activities incidental to its formation and as contemplated by the merger agreement.

Guarantor

Alipay (Hong Kong) Holding Limited

26/F Tower One, Times Square

1 Matheson Street

Causeway Bay, Hong Kong

(+852) 2215 5100

Guarantor is a company with limited liability incorporated under the laws of Hong Kong and is a subsidiary of Ant Financial.

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THE SPECIAL MEETING

We are furnishing this proxy statement to our stockholders as part of the solicitation of proxies by our board of directors for use at the special meeting, and at any adjournments or postponements of the special meeting.

Date, Time and Place

We will hold the special meeting at Vinson & Elkins, L.L.P., 39th Floor, Dallas, Texas 75201, at 8 a.m., Central Time, on May 16, 2017.

Purpose of Special Meeting

At the special meeting, we will ask holders of our Common Stock to approve and adopt the merger agreement. Our stockholders will also be asked to approve an advisory, non-binding proposal to approve compensation that will or may become payable to our named executive officers in connection with the merger.

Record Date, Stock Entitled to Vote and Quorum

Only holders of record of our Common Stock at the close of business on April 7, 2017, which is the record date for the special meeting, are entitled to notice of and to vote at the special meeting. As of the record date, 53,969,695 shares of our Common Stock were outstanding and held by approximately 8,334 holders of record. A majority of the shares of our Common Stock issued and outstanding and entitled to vote at the special meeting present in person or represented by proxy at the special meeting is required for a quorum. Shares of our Common Stock represented at the special meeting but not voting, including shares of our Common Stock for which proxies have been received but for which stockholders have abstained, will be treated as present at the special meeting for purposes of determining the presence or absence of a quorum for the transaction of all business at the special meeting.

Votes Required

The proposal to approve and adopt the merger agreement requires the affirmative vote of holders of at least a majority of the outstanding shares of our Common Stock entitled to vote as of the record date. Goldman Sachs, the sole holder of Series D Preferred Stock, has delivered its irrevocable consent to the merger and the treatment of the Series D Preferred Stock in the merger agreement. Accordingly, if you abstain or fail to vote on the proposal to approve and adopt the merger agreement, or if you fail to give voting instructions to your brokerage firm, bank, trust or other nominee, it will have the same effect as a vote against the approval and adoption of the merger agreement. If you hold your shares in street name through a broker, bank or other nominee, you must direct your broker, bank or other nominee how to vote your shares of Common Stock by following their instructions for voting. Brokers, banks or other nominees who hold shares of our Common Stock in street name for customers who are the beneficial owners of those shares are not permitted to vote those customers' shares in the absence of specific instructions from those customers. Additionally, in connection with the signing of the merger agreement, we and Alipay have also entered voting and support agreements whereby certain holders of our Common Stock who collectively hold, as of the record date, approximately 46% of our outstanding Common Stock have agreed to vote in favor of approving and adopting the merger agreement. However, in the event our board of directors changes its recommendation with respect to the merger (other than in connection with a third party acquisition proposal) in accordance with the terms of the merger agreement, the number of each stockholder's shares of Common Stock subject to the voting and support agreement shall be reduced, pro rata, such that the aggregate amount of Common Stock subject to all of the voting and support agreements, taken together, equals 35% of the outstanding Common Stock of MoneyGram as of the record date for the special meeting called to approve and adopt the merger agreement. See the section entitled The Voting and

Support Agreements.

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The advisory, non-binding proposal to approve compensation that will or may become payable to MoneyGram's named executive officers in connection with the merger requires the affirmative vote of a majority of the shares of our Common Stock present in person or represented by proxy at the special meeting and entitled to vote. Accordingly, not voting at the special meeting will have no effect on the outcome of this proposal, but abstentions will have the effect of a vote against this proposal. Approval of this proposal is not a condition to completion of the merger, and the vote with respect to this proposal is only an advisory vote by stockholders. Accordingly, the vote will not be binding on us or Alipay, our or their board of directors or our compensation committee. If the merger is completed, the compensation that is the subject of the proposal may be paid to our named executive officers in accordance with the terms and conditions of their compensation agreements and arrangements even if our stockholders do not approve this proposal.

If you are a stockholder of record, you may vote your shares of Common Stock in any of the following ways:

in person by appearing and casting your vote at the special meeting; or

by proxy. Stockholders of record have a choice of submitting a proxy:

by using the Internet voting instructions printed on your proxy card;

by using the telephone voting instructions printed on your proxy card; or

by completing, signing, dating and returning each enclosed proxy card you receive in the enclosed postage paid envelope.

If you are not a stockholder of record, please refer to the instructions provided by your bank, brokerage firm or other nominee to see which of the above choices are available to you. Please note that if you are a beneficial owner and wish to vote in person at the special meeting, you must obtain a legal proxy from your bank, brokerage firm or other nominee.

A control number, located on your proxy card, is designed to verify your identity and allow you to vote your shares of Common Stock, and to confirm that your voting instructions have been properly recorded when submitting a proxy over the Internet or by telephone. Please be aware that if you submit a proxy over the Internet, you may incur costs such as telephone and Internet access charges for which you will be responsible.

Holders of record of our Common Stock on the record date are entitled to one vote per share on each matter to be considered at the special meeting.

As of the record date, directors and executive officers of MoneyGram and their affiliates had the right to vote 25,087,039 shares of Common Stock, or approximately 46.5% of the outstanding Common Stock at that date.

Voting of Proxies

All shares represented by properly executed proxies received in time for the special meeting will be voted at the special meeting in the manner specified by the holders thereof. Properly executed proxies that do not contain voting instructions will be voted **FOR** the approval and adoption of the merger agreement and **FOR** the proposal to approve compensation that will or may become payable to our named executive officers in connection with the merger.

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Revocability of Proxies

The grant of a proxy on the enclosed form of proxy does not preclude a stockholder from voting in person at the special meeting. A stockholder may revoke a proxy if you:

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

deliver a signed proxy, dated later than the prior proxy and which must be received prior to the special meeting, to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717;

vote again by telephone or on the Internet by 11:59 p.m. on the day before the special meeting; or

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

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

MoneyGram stockholders who require assistance should contact the persons at the phone number provided on page 24 of this proxy statement.

Postponement, Adjournment and Recess

Although it is not currently expected, the special meeting may be adjourned, recessed or postponed for the purpose of soliciting additional proxies. In the event that there is present, in person or by proxy, sufficient favorable voting power to secure the MoneyGram Stockholder Approval to approve and adopt the merger agreement, MoneyGram does not anticipate that it will adjourn or postpone the special meeting unless it is advised by counsel that failure to do so could reasonably be expected to result in a violation of applicable law.

Whether or not a quorum is present, the special meeting may be adjourned or recessed by the chairman of the special meeting or by the affirmative vote of the holders of a majority of the shares of Common Stock present in person or represented by proxy at the special meeting and entitled to vote at the special meeting. Any adjournment, recess or postponement of the special meeting for the purpose of soliciting additional proxies will allow MoneyGram's stockholders who have already sent in their proxies to revoke them at any time prior to their use at the special meeting as adjourned, recessed or postponed.

Delivery of Proxy Materials to Households Where Two or More MoneyGram Stockholders Reside

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

Stockholders of Record. If your shares are registered in your own name and you are interested in consenting to the delivery of a single notice or single set of proxy materials, you may contact Broadridge Householding Department by phone at 1-866-540-7095 or by mail to Broadridge Householding Department, 51 Mercedes Way, Edgewood, New York 11717.

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

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Right to Request Separate Copies. If you consent to the delivery of a single notice or single set of proxy materials but later decide that you would prefer to receive a separate copy of the notice or proxy materials, as applicable, for each stockholder sharing your address, then please notify Broadridge Householding Department or your nominee, as applicable, and they will promptly deliver the additional notices or proxy materials. If you wish to receive a separate copy of the notice or proxy materials for each stockholder sharing your address in the future, you may also contact Broadridge Householding Department by phone at 1-866-540-7095 or by mail to Broadridge Householding Department, 51 Mercedes Way, Edgewood, New York 11717.

Solicitation of Proxies

All costs related to the solicitation of proxies, including the printing and mailing of this proxy statement, will be borne by us. We have retained Morrow Sodali to aid in the solicitation of proxies and to verify records relating to the solicitation. Morrow Sodali will receive a fee for its services of \$20,000, fees per call to stockholders and expense reimbursement. In addition, our directors, officers and employees may, without additional compensation, solicit proxies from stockholders by mail, telephone, facsimile, or in person. However, you should be aware that certain members of our board of directors and our officers have interests in the merger that are different from, or in addition to, yours. See the section entitled *The Merger Interests of MoneyGram's Executive Officers and Directors in the Merger*.

We will also reimburse brokers and other custodians, nominees and fiduciaries for their expenses in sending these materials to you and getting your voting instructions.

Stock Certificates

Stockholders should not send stock certificates with their proxies. A letter of transmittal with instructions for the surrender of our Common Stock certificates will be mailed to our stockholders as soon as practicable after completion of the merger.

Questions and Additional Information

If you have questions about the merger or how to submit your proxy, or if you need additional copies of this proxy statement or the enclosed proxy card or voting instructions, please contact our proxy solicitor at:

470 West Avenue

Stamford, Connecticut 06902

Shareholders Call Toll Free: 1-800-662-5200

Banks and Brokers Call Collect: 1-203-658-9400

E-mail: moneygram@morrowsodali.com

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THE MERGER

Description of the Merger

Our board of directors has approved and adopted the merger agreement and the merger. If the merger agreement is approved and adopted by MoneyGram's stockholders, then, subject to other closing conditions as described in The Merger Agreement Conditions to Completion of the Merger, Merger Sub will be merged with and into MoneyGram, and MoneyGram will be the surviving corporation in the merger and become a wholly owned subsidiary of Alipay. We strongly encourage you to read carefully the merger agreement in its entirety, a copy of which is attached as Annex A to this proxy statement, because it is the contract that governs the merger.

If the merger is completed, each share of Common Stock outstanding immediately prior to the effective time of the merger (other than certain shares as set forth in the merger agreement, including shares for which the holders thereof have properly exercised appraisal rights in accordance with Section 262 of the DGCL with respect to such Common Stock) will be converted into the right to receive the merger consideration, without interest.

After the merger is completed, you will have the right to receive the merger consideration but you will no longer have any rights as a stockholder of MoneyGram. In the case of shares of our Common Stock represented by certificates, you will receive the merger consideration for your shares of Common Stock after exchanging your stock certificates in accordance with the instructions contained in a letter of transmittal to be sent to you shortly after completion of the merger. In the case of shares of our Common Stock held in book-entry form, you will receive the merger consideration for your shares of Common Stock as promptly as practicable following the merger without the requirement to deliver a stock certificate or, unless reasonably requested by the paying agent, a letter of transmittal.

The Common Stock is currently registered under the Exchange Act and is designated for trading on the NASDAQ under the symbol MGI. Following the merger, the Common Stock will be delisted from the NASDAQ and will no longer be publicly traded, and the registration of our Common Stock under the Exchange Act will be terminated.

Please see the section entitled The Merger Agreement for additional and more detailed information regarding the merger agreement.

Background of the Merger

From time to time, MoneyGram and our board of directors, together with our legal and financial advisors, review and evaluate strategic opportunities and alternatives with a view to enhancing stockholder value. Such opportunities and alternatives our board of directors has reviewed from time to time include remaining as a stand-alone entity, changes to MoneyGram's policy regarding MoneyGram repurchasing shares of its Common Stock, dispositions of one or more of our business segments and a potential sale of MoneyGram.

In May 2013, MoneyGram launched a strategic review process, with the assistance of BofA Merrill Lynch and another nationally recognized financial advisor, during which MoneyGram broadly solicited potential purchasers of MoneyGram to determine whether a transaction may be available that would be in the best interests of MoneyGram stockholders. During the process, MoneyGram contacted 43 potential bidders, seven of whom responded with preliminary indications of interest. Only one of those seven bidders ultimately delivered a proposal to acquire MoneyGram, which proposal was withdrawn during the course of confirmatory due diligence.

In February 2016, W. Alexander Holmes, our Chief Executive Officer and a member of our board of directors, was contacted by a financial services company, referred to as Party A, requesting that Mr. Holmes

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meet with Party A to discuss a potential strategic combination of MoneyGram and Party A. With the approval of our board of directors, Mr. Holmes met with representatives of Party A in March 2016. Following that meeting, representatives of MoneyGram and Party A continued to discuss the feasibility of a strategic transaction in a number of meetings and calls over the spring and summer of 2016. In the summer of 2016, Party A requested that MoneyGram undertake a joint regulatory analysis with Party A to determine whether a combination of MoneyGram and Party A was feasible from a regulatory perspective, and Party A and MoneyGram began discussions regarding such analysis. In July 2016, the Chief Executive Officer and the Chairman of the Board of Party A contacted Pamela H. Patsley, Executive Chairman of MoneyGram, and indicated that the board of directors of Party A had not at that time decided to proceed with a transaction with MoneyGram. However, Party A requested that MoneyGram continue to undertake a joint regulatory analysis with Party A. MoneyGram indicated that it would continue to undertake such an analysis but requested additional assurances or information regarding the seriousness of Party A's interest in a possible transaction. Party A never proposed any valuation for MoneyGram or provided any further indications of interest, and all discussions ceased.

Also during the summer of 2016, MoneyGram entered into confidentiality and standstill agreements with two different financial sponsors, referred to as Party B and Party C. Party B independently contacted MoneyGram and expressed interest in a potential acquisition of MoneyGram. Party C initially contacted a representative of THL, who advised Party C to direct all inquiries related to such a transaction to Ms. Patsley. The THL representative did not discuss a potential valuation of MoneyGram with Party C. The representative from Party C promptly contacted Ms. Patsley and expressed interest in a potential acquisition of MoneyGram. Following entry into confidentiality and standstill agreements, Party B and Party C were given access to an online data room and engaged in due diligence discussions with representatives of MoneyGram. Throughout the course of discussions with Party A, Party B and Party C, Ms. Patsley and Mr. Holmes regularly communicated with our board of directors to confirm its support with respect to such discussions and to update the board of directors on the status of discussions, both during regular board meetings and otherwise.

At the conclusion of Party B's diligence, however, Party B advised MoneyGram that it would not be submitting a proposal to acquire MoneyGram or providing any indication of value for MoneyGram. Discussions with Party C ceased without Party C submitting a proposal to acquire MoneyGram or providing any indication of value for MoneyGram.

On October 4, 2016, Mr. Holmes and other members of MoneyGram management met in person in San Mateo, California, with representatives of Ant Financial, including Eric Jing, Chief Executive Officer of Ant Financial, and Mr. Douglas Feagin, Senior Vice President and Head of International Operations of Ant Financial, for the purpose of discussing potential commercial and strategic business opportunities involving the Alipay business and MoneyGram. Representatives of Ant Financial had been discussing potential commercial relationships between the Alipay business and MoneyGram with their counterparts at MoneyGram since April 2016, and the meeting was initiated at the request of representatives of Ant Financial who communicated to MoneyGram that while Mr. Jing was visiting the U.S. he was interested in meeting with Mr. Holmes. During the meeting, the MoneyGram and Ant Financial representatives also discussed potential strategic business opportunities involving Ant Financial and MoneyGram, but did not discuss the valuation of MoneyGram in the context of any transaction.

On October 18, 2016, Mr. Feagin contacted Mr. Holmes and requested a follow-up meeting later that month, to take place during an upcoming industry conference in Las Vegas, Nevada.

On October 25, 2016, representatives of MoneyGram, including Mr. Holmes, met with representatives from a financial services company, referred to as Party D, to discuss the possibility of a strategic transaction involving MoneyGram and Party D. At the request of Party D, the meeting was held in Las Vegas, Nevada, during the industry

conference, and during the meeting the parties discussed certain preliminary issues related to a potential combination, including synergy opportunities and the potential financing of a transaction, but Party D did not propose any valuation for MoneyGram. Also on October 25, 2016, Mr. Holmes met in Las Vegas with

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representatives of Ant Financial, including Mr. Feagin, during which meeting Ant Financial expressed an interest in acquiring MoneyGram and the parties discussed next steps in connection with a potential strategic transaction, including the necessity of the parties entering into a confidentiality agreement.

On October 29, 2016, Ant Financial delivered an initial draft confidentiality agreement to MoneyGram.

On November 8, 2016, representatives of the publicly-traded payment services company, Euronet, contacted representatives of THL to discuss a potential strategic transaction involving MoneyGram and Euronet. The THL representatives did not discuss a potential valuation of MoneyGram with Euronet and advised Euronet to direct all inquiries related to such a transaction to Ms. Patsley.

On November 11, 2016, MoneyGram and a subsidiary of Ant Financial, entered into a confidentiality and standstill agreement. Following execution of the confidentiality and standstill agreement, MoneyGram gave representatives of Ant Financial access to an online data room containing confidential information with respect to MoneyGram. Throughout the process, MoneyGram continued to populate the data room with confidential information, including by providing, on December 9, 2016, financial projections prepared by management and more fully described under The Merger Unaudited Financial Projections of MoneyGram. At the same time, Ant Financial and its advisors continued to conduct due diligence on MoneyGram.

On November 13, November 14 and November 16, 2016, Ms. Patsley had preliminary communications and discussions with Euronet regarding a potential strategic transaction involving Euronet and MoneyGram. On November 16, 2016, at the request of a representative of Euronet, Mr. Ganesh Rao, a member of our board of directors and a principal of THL, had a meeting with a representative of Euronet, during which meeting they discussed a potential strategic transaction involving Euronet and MoneyGram. The THL representative did not discuss a potential valuation of MoneyGram.

On November 18, 2016, Euronet communicated to MoneyGram an indication of interest in a strategic transaction involving Euronet and MoneyGram that would value MoneyGram at an enterprise value of \$1.75 billion. Later on November 18, 2016, at a meeting of our board of directors, Ms. Patsley updated our board of directors regarding the indication of interest from Euronet as well as the cessation of discussions with Party B and Party C, and the commencement of discussions with Party D and Ant Financial with respect to a potential strategic transaction. During the course of this meeting, our board of directors authorized management to seek out a potential financial advisor to be engaged by MoneyGram in connection with its review of strategic alternatives.

On November 25, 2016, Ms. Patsley, Mr. Holmes and Mr. Rao had a discussion with representatives of BofA Merrill Lynch to discuss retaining BofA Merrill Lynch as financial advisor to MoneyGram in connection with its consideration of the indications of interest it had received. MoneyGram has had a longstanding relationship with BofA Merrill Lynch, including as one of MoneyGram's financial advisors in connection with its 2013 strategic review process, and was interested in retaining BofA Merrill Lynch in connection with a potential strategic transaction based on BofA Merrill Lynch's reputation and experience as an investment banking firm generally, its experience in transactions similar to the merger and its knowledge of the financial services industry and of MoneyGram in particular.

On November 30, 2016, Ms. Patsley and a representative of Euronet had further discussions regarding Euronet's preliminary indication of interest, and Ms. Patsley advised Euronet that MoneyGram expected to engage BofA Merrill Lynch as its financial advisor with respect to any potential transaction with Euronet, and that Euronet should expect to be contacted by representatives of BofA Merrill Lynch with respect to moving forward on due diligence and other process items.

Also on November 30 and on December 1, 2016, representatives of MoneyGram, including Ms. Patsley, Mr. Holmes, and other members of MoneyGram's executive management team, had a series of meetings with

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representatives of Ant Financial at the offices of V&E, MoneyGram's outside legal counsel, in Dallas, Texas, during which meetings the MoneyGram representatives made presentations regarding MoneyGram's business, operations, financial performance, regulatory compliance programs and strategic plan. Representatives of V&E, Paul Hastings, outside regulatory counsel to MoneyGram, Kelley Drye & Warren LLP, outside regulatory counsel to MoneyGram, BofA Merrill Lynch, Simpson Thacher, outside counsel to Ant Financial, and Citigroup, financial advisor to Ant Financial, also participated in the meetings.

On December 5, 2016, representatives of BofA Merrill Lynch discussed with representatives of Euronet whether Euronet planned on making a formal proposal to acquire MoneyGram, and what the expected timing of any such proposal would be. The representatives of Euronet indicated that they would discuss later that month with its board of directors whether Euronet would make a formal proposal.

On December 7, 2017, our board of directors held a regular meeting, during which meeting our board of directors reviewed, among other things, the recent discussions with Party D, Euronet and Ant Financial and its intention to formally engage BofA Merrill Lynch to advise MoneyGram in connection with these discussions and any potential transaction involving MoneyGram. Also during this meeting representatives of V&E reviewed with the members of our board of directors their fiduciary duties in connection with evaluating a potential strategic transaction and responding to any formal proposals that our board of directors may receive with respect to a sale of MoneyGram or other strategic transaction. Ms. Patsley also advised our board of directors that representatives from Goldman Sachs had requested that Goldman Sachs, in its capacity as one of the two largest stockholders of MoneyGram be provided with non-public information with respect to any potential strategic transaction, and that Ms. Patsley would recommend sharing such information with Goldman Sachs so long as they entered into an appropriate confidentiality agreement.

On December 12, 2016, at the request of Ant Financial, representatives from Ant Financial, Citigroup and Simpson Thacher participated in a telephonic due diligence session with Aaron Marcu of Freshfields Bruckhaus Deringer US LLP, the corporate monitor for MoneyGram.

On December 13, 2016, representatives from Party D, including the Chairman of Party D's board of directors and its Chief Executive Officer, and representatives of MoneyGram, including Mr. Holmes, together with representatives of BofA Merrill Lynch and Party D's financial advisor, discussed potential strategic synergies available in a combination of Party D and MoneyGram. The discussions were based on publicly available information as MoneyGram and Party D had not entered into a confidentiality agreement.

On December 14, 2016, representatives from Euronet separately contacted Ms. Patsley and representatives of BofA Merrill Lynch and indicated that Euronet was no longer interested in continuing discussions regarding a strategic transaction, citing the substantial increase in the MoneyGram stock price since their discussions had begun in November and concerns related to financing a transaction. During the course of the discussion, Euronet further advised MoneyGram that its earlier indication of interest was intended to imply an offer price of between \$11.00 and \$12.00 per share, which price range had since fallen below the then trading price of MoneyGram's Common Stock.

Also on December 14, 2016, Mr. Feagin of Ant Financial called Ms. Patsley and made an oral indication of interest to acquire MoneyGram at a price between \$12.50 and \$13.00 per share in cash, with no financing contingency. Mr. Feagin discussed the seriousness of Ant Financial's interest in a transaction, its willingness to devote substantial resources to complete due diligence and its desire to move quickly towards signing definitive documents, and the steps it had already taken to analyze various required regulatory approvals. During the course of this conversation, Mr. Feagin noted to Ms. Patsley that while Ant Financial had considered the substantial recent increase in the trading price of MoneyGram's stock, Ant Financial believed the proposed valuation range reflected a full valuation for MoneyGram.

On December 15, 2016, our board of directors held a special meeting to discuss recent developments with respect to discussions with Party D, Euronet and Ant Financial, which meeting was attended by representatives

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of BofA Merrill Lynch and V&E. During this meeting, representatives of BofA Merrill Lynch presented to our board of directors preliminary financial analyses related to the valuation of MoneyGram, which materials utilized the financial projections prepared by MoneyGram management and more fully described under The Merger Unaudited Financial Projections of MoneyGram. Our board of directors also discussed key focus areas with respect to any potential transaction with Ant Financial, including regulatory risk and certainty of closing, including the risk related to obtaining CFIUS Approval given Ant Financial's identity as a company domiciled in China with global operations. Our board of directors, management and its advisors also discussed management's view of MoneyGram's prospects on a stand-alone basis, including in the event Ant Financial were to enter the money transfer business as a competitor, either organically or through an acquisition of a third party. Our board of directors generally expressed support for continuing discussions with Ant Financial, but instructed MoneyGram's management team and financial advisors to seek a specific price proposal from Ant Financial at a higher value than the valuation range proposed by Ant Financial of \$12.50 to \$13.00 per share. Our board of directors also instructed MoneyGram's management team and financial and legal advisors to explore whether the expressions of interest from Party D could be developed into a more fully formed proposal.

On December 16, 2016, Ms. Patsley and Mr. Feagin had a discussion regarding the progress to date of various items, including Ant Financial's financing efforts, ongoing due diligence and other items.

From December 20 through December 22, 2016, representatives of Ant Financial and MoneyGram, together with their respective legal and financial advisors, participated in additional in person due diligence discussions at V&E's offices in Dallas, Texas. At the conclusion of these meetings, representatives from Ant Financial advised MoneyGram that they wished to complete diligence by the first week of January with a goal of signing a merger agreement the third week of January, subject to agreement on transaction terms and definitive documentation. Ant Financial also advised MoneyGram it intended to provide an initial draft merger agreement within the following two weeks and that there would be no financing contingency in the draft documents. During the course of these meetings, representatives of BofA Merrill Lynch also advised Citigroup that, while MoneyGram was interested in continuing discussions, MoneyGram would not make sensitive due diligence information available to Ant Financial absent improvement on transaction price and additional clarity regarding key transaction terms related to deal certainty, and that our board of directors believed the valuation range proposed by Ant Financial of \$12.50 to \$13.00 per share was not definitive and in any event did not fully value MoneyGram. Representatives of V&E and Simpson Thacher had similar discussions that same day, at which time representatives of Simpson Thacher advised V&E that they expected to deliver an initial draft merger agreement quickly in the new year. Ms. Patsley also requested that Ant Financial (i) provide clarity with respect to the acquisition structure, including which Ant Financial entities would be parties to the merger agreement and their capitalization and domiciles, (ii) identify the regulatory approvals in China and elsewhere Ant Financial expected would be required to complete the merger, (iii) make a definitive proposal with respect to price and (iv) make a specific proposal with respect to provisions of the merger agreement intended to provide deal certainty to MoneyGram, such as the reverse termination fees that would be payable to MoneyGram in the event the transaction were not to close under various circumstances. Ms. Patsley advised Ant Financial our board of directors was concerned about the risk that a merger with Ant Financial might not be completed as a result of (a) the potential difficulties in enforcing an agreement arising from Ant Financial's status as a foreign entity with a majority of assets located in China that may not be subject to the jurisdiction of U.S. courts, (b) failing to obtain a required regulatory approval or (c) the failure of Ant Financial to obtain debt financing for a transaction, and requested that Ant Financial address these concerns carefully in preparing a definitive proposal.

On December 22, 2016, Party D submitted a written list of due diligence topics to MoneyGram. MoneyGram advised Party D that it would need to enter into a confidentiality agreement prior to receiving the requested information.

On January 2, 2017, Mr. Feagin of Ant Financial contacted Ms. Patsley of MoneyGram to advise her that Simpson Thacher would be delivering a draft merger agreement to V&E later that day and to discuss certain provisions in the draft merger agreement. In addition, Mr. Feagin advised Ms. Patsley that, while the merger

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agreement would not specify a price, based on Ant Financial's work to date, if required to propose a single price as of such date, Ant Financial would propose acquiring MoneyGram at a price of \$12.75 per share in cash, the middle of the range of the indication of interest previously made by Ant Financial, which price was not subject to a financing contingency. Mr. Feagin advised Ms. Patsley that Ant Financial believed this was a full and fair price for MoneyGram, including that Ant Financial expected it would make significant capital investments in MoneyGram's operations following the merger. Mr. Feagin said that other key items that could impact its valuation analysis included completing its due diligence with respect to certain key areas.

Later on January 2, 2017, Simpson Thacher delivered to V&E a draft merger agreement, which draft provided (i) that Alipay and Merger Sub would act as the parties to the merger agreement, and that the obligations of Alipay and Merger Sub would be guaranteed by Guarantor, but that Ant Financial would not be a party to the merger agreement, (ii) that MoneyGram would be subject to a no solicitation covenant between signing and closing, restricting its ability to solicit alternatives to the merger, (iii) that in the event MoneyGram received an unsolicited superior proposal, our board of directors could, subject to complying with procedures in the merger agreement and paying a termination fee equal to 4.0% of MoneyGram's equity value, terminate the merger agreement to accept such superior proposal, (iv) that, absent a superior proposal, our board of directors would only be able to change its recommendation due to an intervening event, and that such a change in recommendation would not permit MoneyGram to terminate the merger agreement, (v) that the obligations of Alipay and Merger Sub to complete the merger would be conditioned on, among other things, (A) CFIUS Approval being obtained without a burdensome condition being imposed, (B) the receipt of unspecified required approvals related to money transmitter licenses and (C) the receipt of consents from certain of MoneyGram's commercial counterparties, but that no approvals would be required from the People's Republic of China government, (vi) that the merger consideration would be funded entirely through external debt financing, with Guarantor being a party to a debt commitment letter at the time the merger agreement was signed, but that Guarantor would be provided with a marketing period to allow the lenders under the debt commitment letter to syndicate the financing after all closing conditions were satisfied, and (vii) that in the event all of the closing conditions were satisfied and the debt financing were available, MoneyGram would have the right to specifically enforce Alipay and Merger Sub's obligations to complete the merger, but in the event financing were not available Alipay and Merger Sub's liability for failure to close would be limited to a reverse termination fee equal to 5.0% of the equity value of MoneyGram. The merger agreement also noted that Alipay would require THL and certain key management members to enter into voting agreements at signing of the merger agreement, which voting agreements would restrict the transfer of shares of MoneyGram stock prior to closing of the merger or termination of the voting agreement and would only terminate upon termination of the merger agreement, and that Alipay would require Goldman Sachs to consent to the treatment of the Series D Preferred Stock in the merger agreement in connection with the signing of the merger agreement.

On January 3, 2017, MoneyGram delivered to Party D, through their respective financial advisors, a draft confidentiality agreement.

On January 5, 2017, representatives of BofA Merrill Lynch furnished information to our board of directors with respect to BofA Merrill Lynch's material relationships with each of THL and Goldman Sachs (and certain of their respective affiliates and portfolio companies), as well as with Ant Financial, Alibaba Group Holding Limited (an entity with long-term commercial agreements with Ant Financial), Party D and Euronet, including (but not limited to) the fact that BofA Merrill Lynch derived a significant amount of revenues from each of THL and Goldman Sachs and their respective affiliates and portfolio companies, that BofA Merrill Lynch (including members of the deal team working with MoneyGram) would continue to meet with and provide services to THL, Goldman Sachs, their respective affiliates and portfolio companies, as well as Party D and Euronet, and further, that BofA Merrill Lynch (excluding members of the deal team working with MoneyGram) regularly provides advice to Party D with respect to strategic alternatives, some of which could be mutually exclusive to an acquisition of MoneyGram by Party D.

However, BofA Merrill Lynch advised MoneyGram that it was not advising Party D with respect to its discussions with MoneyGram; Party D was represented by another investment bank in connection with such discussions. Our board of directors then discussed the relationships disclosed by BofA Merrill Lynch, and

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determined that they did not adversely affect BofA Merrill Lynch's independence or ability to act as financial advisor to MoneyGram. Our board of directors then determined to enter into a written engagement agreement with BofA Merrill Lynch as its financial advisor, on the terms disclosed in more detail under "The Merger" Opinion of MoneyGram's Financial Advisor Regarding the Merger Consideration.

On January 5, 2017, our board of directors held a meeting to discuss the developments in discussions with Ant Financial, including the \$12.75 per share in cash proposal from Ant Financial and the draft merger agreement that had been provided earlier in the week. During this meeting, representatives of BofA Merrill Lynch reviewed with our board of directors the terms of the proposal and preliminary financial analyses of the proposal, and representatives of V&E reviewed with our board of directors key aspects of the draft merger agreement. Representatives of Paul Hastings also reviewed with our board of directors the regulatory approval process that should be expected in connection with a merger with Ant Financial. In addition, the our board of directors, together with management and advisors, discussed the Ant Financial proposal in the context of the other discussions MoneyGram had engaged in regarding strategic transactions in the past, including with Party A, Party B, Party D and Euronet, each of which had commenced at a time when MoneyGram's stock price was substantially lower compared to current levels, and the broad strategic review process completed by MoneyGram in 2013, and the likelihood that a third party would make a proposal to acquire MoneyGram on substantially similar or better terms to those proposed by Ant Financial. In addition, our board of directors and its advisors discussed the proposal compared to the continued operation of MoneyGram on a stand-alone basis, and the related risks and possibilities with respect thereto. During the course of this discussion, representatives of BofA Merrill Lynch advised our board of directors that they did not believe it was likely that soliciting interest from additional parties beyond Party D and Euronet would result in a proposal on better terms than the proposal from Ant Financial, and also discussed with our board of directors potentially negative consequences of running a broad strategic review process, including the potentially public nature of such a process and the likelihood that Ant Financial would not participate in the process. After the discussion, our board of directors determined it was desirable to continue to negotiate definitive terms of a potential transaction with Ant Financial, with a goal of improving the proposed \$12.75 per share consideration and limiting the deal certainty risk in the transaction. In addition, our board of directors requested that management and BofA Merrill Lynch continue to encourage Party D to enter into a confidentiality agreement and make a definitive proposal with respect to a potential transaction.

Also on January 5, 2017, Simpson Thacher delivered a draft of a voting and support agreement to be entered into by THL to V&E, who delivered the draft to THL.

On January 6, 2017, Ms. Patsley called Mr. Feagin, and advised Mr. Feagin that our board of directors was interested in continuing discussions with respect to a potential transaction with Ant Financial, but that (i) MoneyGram wanted additional information regarding key items impacting deal certainty in order to fully evaluate the Ant Financial proposal and respond to the draft merger agreement and (ii) the proposed \$12.75 price was not acceptable to our board of directors, and that the price would need to be higher for our board of directors to support a transaction. Ms. Patsley proposed that V&E would circulate a list of key follow-up inquiry items to Simpson Thacher over the weekend, and requested that Ant Financial respond quickly to these requests.

On January 7, 2017, V&E discussed with Simpson Thacher a list of key follow-up items, including with respect to (i) the parties' proposed plans to obtain regulatory approvals, including CFIUS Approval, (ii) the identity and capitalization of the merger agreement counterparties, (iii) the nature and status of the debt financing commitment to be obtained in connection with the transaction and (iv) the parties' proposed plans with respect to seeking third party commercial consents and support for the transaction.

On January 10 and January 12, 2017, BofA Merrill Lynch contacted Party D's financial advisor to inquire about the status of the draft confidentiality agreement and to encourage the submission of a proposal from Party D.

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Also, on January 12, 2017, MoneyGram and Guarantor entered into a confidentiality agreement whereby MoneyGram agreed to keep certain information confidential and on January 12 and January 13, 2017, representatives from MoneyGram and Ant Financial, together with their respective legal and financial advisors, participated in a series of discussions regarding the follow-up discussion items identified on January 7, 2017.

Also, on January 13, 2017, BofA Merrill Lynch again contacted Party D's financial advisor via email to inquire about the draft confidentiality agreement and any forthcoming proposal.

On January 14, 2017, V&E delivered to Simpson Thacher an issues list, setting out key issues in the draft merger agreement delivered by Simpson Thacher on January 2, 2017, together with a proposed response to those issues from MoneyGram (the January 14 proposal). The January 14 proposal included the following: (i) that MoneyGram would have the right to solicit alternatives to the merger for 45 days following signing of the merger agreement (a go shop), and terminate the merger agreement to enter into a superior proposal identified during such period, subject to a termination fee of 1.5% of MoneyGram's equity value, (ii) that following the conclusion of the go shop period, MoneyGram would be subject to customary no solicitation covenants, but that in the event MoneyGram received an unsolicited superior proposal, our board of directors could terminate the merger agreement to accept such superior proposal, subject to a termination fee of 3.0% of MoneyGram's equity value, (iii) that, absent a superior proposal, our board of directors would have the right to change its recommendation if it determined a failure to do so would be reasonably likely to be inconsistent with its fiduciary duties (regardless of whether or not an intervening event had occurred), (iv) that the voting and support agreements would only cover an aggregate of 40% of the voting stock of MoneyGram and that they would terminate upon termination of the merger agreement or a change in recommendation of our board of directors, (v) that the definition of burdensome condition be narrowed, (vi) that a reverse termination fee of 10.0% of MoneyGram's equity value would be payable by Alipay if the merger failed to close due to Alipay, Merger Sub or Guarantor's breach, a failure to obtain CFIUS Approval (with or without a burdensome condition), a change in law in China, a failure to obtain approvals related to money transmitter licenses, or a failure to obtain required competition approvals, (vii) that the value of the termination fee would be placed into escrow or secured by a letter of credit for the benefit of MoneyGram, to mitigate the enforcement risk associated with Alipay having limited U.S. assets, (viii) that either party would have the ability to extend the end date under the merger agreement to 15 months following signing, if all approvals related to money transmitter licenses had not been obtained by the 12-month end date, but the other closing conditions had been satisfied, (ix) that there would not be any marketing period that could delay closing with respect to the financing, (x) that specific performance would be available to force Guarantor, Alipay and Merger Sub to complete the merger, even in the event debt financing was not available and (xi) that Guarantor, Alipay and Merger Sub's monetary liability would not be limited to the reverse termination fee in the event of termination following a willful and material breach of the merger agreement. The issues list also included items related to the treatment of employees in connection with the merger, including employment compensation, benefits, severance and the treatment of equity awards.

On January 17, 2017, Simpson Thacher delivered to V&E a response to the January 14 proposal, setting forth Ant Financial's counterproposal (the January 17 proposal). The January 17 proposal included the following: (i) that the merger agreement would not have a go shop provision, (ii) that in the event MoneyGram received an unsolicited superior proposal, our board of directors could terminate the merger agreement to accept a superior proposal, subject to a termination fee of 3.5% of MoneyGram's equity value, (iii) that, absent a superior proposal, our board of directors would have the right to change its recommendation if it determined a failure to do so would violate its fiduciary duties (regardless of whether or not an intervening event had occurred), (iv) that the voting and support agreements would cover all shares owned by THL and each of Ms. Patsley, Mr. Holmes, F. Aaron Henry, General Counsel and Corporate Secretary of MoneyGram, Steven Piano, Chief Human Resources Officer of MoneyGram, and Peter Ohser, Chief Revenue Officer Americas & Europe of MoneyGram, which totals approximately 45% of the voting stock of MoneyGram, and that the voting agreements would only terminate upon termination of the merger agreement, (v) that

the definition of "burdensome condition" include any material adverse effect on the anticipated economic benefit or value that Alipay reasonably expects to be realized from the transaction, (vi) that a reverse termination fee of 7.0% of

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MoneyGram's equity value would be payable by Alipay if the merger agreement was terminated due to Alipay, Merger Sub or Guarantor's willful and material breach or Alipay's failure to close following the satisfaction of all closing conditions, but not in any other circumstances, (vii) that there would be no escrow or letter of credit provided to secure payment of the reverse termination fee, (viii) that the end date under the merger agreement would be 12 months, (ix) that specific performance would only be available to force Guarantor, Alipay and Merger Sub to complete the merger if the debt financing were available and (x) that Guarantor, Alipay and Merger Sub's monetary liability in all circumstances would be limited to the amount of the reverse termination fee. In addition, the January 17 proposal provided that there would be no marketing period with respect to the debt financing that would delay closing, and proposed that the principals discuss directly the proposed treatment of MoneyGram employees in connection with the merger. Later that day, representatives of Simpson Thacher further advised V&E that, following discussions with Citigroup during which Citigroup agreed to provide the debt financing commitment for up to 15 months if necessary to obtain required approvals related to money transmitter licenses, Alipay was willing to provide for a three month extension of the end date, from 12 to 15 months, if necessary to obtain required approvals related to money transmitter licenses as proposed by MoneyGram.

On January 18, 2017, V&E delivered a revised draft of the voting agreement to Simpson Thacher, which draft reflected input from THL and Weil, and provided (i) that the voting agreement would terminate upon a change in recommendation by our board of directors and (ii) that the voting agreements, in the aggregate, would not cover more than 40% of the outstanding voting stock of MoneyGram.

Also on January 18, 2017, BofA Merrill Lynch contacted Party D's financial advisor via telephone and email to inquire about the draft confidentiality agreement and whether a proposal might be forthcoming in the near term.

Also on January 18, 2017, our board of directors held a meeting, during which our board of directors discussed, with its legal and financial advisors, the status of diligence and ongoing negotiations with Ant Financial as well as the fact that Party D, despite repeated encouragement from representatives of BofA Merrill Lynch, had not yet entered into a confidentiality agreement or made a proposal with respect to a transaction with MoneyGram. During the meeting, representatives of V&E and MoneyGram management updated our board of directors on the key terms of the January 17 proposal. Our board of directors expressed unanimous support of continuing negotiations with Ant Financial, but requested that management, together with the legal and financial advisors, continue to focus on securing a higher price and deal terms that would minimize, to the extent possible, regulatory approval and financing risk, and the enforcement risk associated with Alipay's limited U.S. assets.

On January 19, 2017, V&E distributed to Simpson Thacher a response to the January 17 proposal (the January 19 proposal) which included the following: (i) a 45-day go-shop during which period MoneyGram would be entitled to terminate the merger agreement to enter into a superior proposal identified during such period, subject to a termination fee of 1.75% of MoneyGram's equity value, (ii) that following the conclusion of the go shop period, MoneyGram would be subject to customary no solicitation covenants, but that in the event MoneyGram received an unsolicited superior proposal, our board of directors could terminate the merger agreement to accept a superior proposal, subject to a termination fee of 3.5% of MoneyGram's equity value, consistent with the January 17 proposal, (iii) that the voting and support agreements would only cover an aggregate of 40% of the voting stock of MoneyGram and that they would terminate upon termination of the merger agreement or a change in recommendation by our board of directors, (iv) that the definition of "burdensome condition" be narrowed, (v) that a reverse termination fee of 7.0% of MoneyGram's equity value would be payable by Alipay if the merger agreement was terminated due to Alipay's willful and material breach, a failure to obtain CFIUS Approval, a change in law in China or a failure to obtain approvals related to money transmitter licenses, (vi) that the value of the termination fee would be placed into escrow or secured by a letter of credit for the benefit of MoneyGram, to mitigate the enforcement risk associated with Alipay having limited U.S. assets, (vii) that specific performance would only be available to force Guarantor, Alipay and Merger Sub

to complete the merger if the debt financing was funded, consistent with the January 17 proposal and (viii) that

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Guarantor, Alipay and Merger Sub's monetary liability would not be limited to the reverse termination fee in the event of termination following a willful and material breach of the merger agreement (which would not include Alipay's failure to close the merger if financing were not available).

On January 20, 2017, Ant Financial delivered to MoneyGram, through their respective legal and financial advisors, drafts of the debt commitment letter and fee letter, and V&E delivered to Simpson Thacher a revised draft of the merger agreement consistent with the January 19 proposal. Also on January 20, 2017, representatives of BofA Merrill Lynch once again inquired with Party D's financial advisor about the status of the draft confidentiality agreement and requested a non-binding proposal with respect to a strategic transaction involving MoneyGram and Party D by January 25, 2017.

On January 21, 2017, Mr. Feagin and Ms. Patsley had a discussion regarding certain key aspects reflected in the revised draft merger agreement. Mr. Feagin advised Ms. Patsley that Ant Financial was willing to accept the risk related to third party commercial approvals and thus not require any closing condition with respect to such approvals, but that Ant Financial was not willing to increase its proposed offer price, accept risk related to obtaining CFIUS Approval or permit MoneyGram to engage in a go shop.

On January 22, 2017, Simpson Thacher delivered to V&E a revised draft of the merger agreement, which draft included the following key differences from the January 20 draft: (i) that MoneyGram would be subject to a no solicitation covenant from the time of signing and not have a go shop provision, (ii) that the voting and support agreements would cover all shares owned by THL and the management stockholders, which totals approximately 45% of the voting stock of MoneyGram, but that upon a change in recommendation by our board of directors, the amount of stock covered by the voting and support agreements, in the aggregate, would be reduced to 40%, (iii) that the definition of "burdensome condition" include any material adverse effect on the anticipated economic benefit or value of the transaction, (iv) that a reverse termination fee would not be payable by Alipay in the event the merger agreement were terminated due to a failure to obtain CFIUS Approval, a change in law in China, or the failure to obtain approvals related to money transmitter licenses, (v) that there would be no escrow or letter of credit provided to secure payment of the reverse termination fee and (vi) that Guarantor, Alipay and Merger Sub's monetary liability in all circumstances would be limited to the amount of the reverse termination fee. The January 22 draft merger agreement did not, however, include any closing condition with respect to the receipt of any third party commercial approvals.

On the same day, Simpson Thacher delivered to V&E a draft of the written consent of Goldman Sachs to the transaction, which MoneyGram forwarded to representatives of Goldman Sachs for their consideration.

Also on January 22, 2017, BofA Merrill Lynch contacted Party D via e-mail regarding its potential interest in MoneyGram. In response, Party D advised BofA Merrill Lynch that it was not in a position to submit any proposal with respect to an acquisition of MoneyGram.

On January 23, 2017, our board of directors held a meeting and discussed the status of the negotiations with respect to the transaction with Ant Financial. During the meeting, representatives of BofA Merrill Lynch reviewed with our board of directors an updated preliminary financial analysis of the transaction, and representatives of V&E reviewed the key open issues in the merger agreement negotiations. Our board of directors then discussed, together with its legal and financial advisors, potential negotiating strategies and how to best balance the twin goals of additional value and additional certainty of closing in further negotiations. Our board of directors ultimately directed management to advise Ant Financial that the current proposal of \$12.75 per share coupled with the closing and enforcement risk inherent in the deal terms reflected in the January 22 merger agreement draft was unacceptable, and seek to negotiate for an improved price, transaction terms that would provide greater certainty of the merger being completed and, in the event it were not, greater certainty of MoneyGram receiving a termination fee commensurate with the costs to

MoneyGram of a failed transaction, or some combination of both.

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Following the meeting of our board of directors, Ms. Patsley of MoneyGram called Mr. Feagin of Ant Financial to discuss key open issues with respect to the potential transaction. During the course of the conversation, Ms. Patsley and Mr. Feagin tentatively agreed, subject to approval of our board of directors, to move forward with negotiating definitive agreements for a transaction on the following key terms: (i) an increase in the purchase price to \$13.25 in cash per share, (ii) that the merger agreement would not provide for a go shop provision, (iii) the provision by Alipay of a letter of credit or similar credit support to backstop up to \$45 million of Alipay's obligations to pay a reverse termination fee, (iv) the elimination of the closing condition related to receipt of third party commercial approvals, and (v) the payment by Alipay to MoneyGram of a reverse termination fee equal to 2.0% of the equity value of MoneyGram in the event the merger agreement were terminated due to a failure to obtain CFIUS Approval, with no reverse termination fee payable if the merger agreement were terminated due to a failure to obtain required approvals with respect to money transmitter licenses or due to a change in law in China.

On January 24, 2017, representatives of MoneyGram, V&E, Ant Financial and Simpson Thacher met telephonically to negotiate provisions of the merger agreement, and, following the telephone call, V&E delivered a revised draft of the merger agreement to Simpson Thacher. The revised draft merger agreement included terms consistent with Ms. Patsley and Mr. Feagin's discussions, and also provided: (i) the amount of stock covered by the voting and support agreements, in the aggregate, would be reduced to 35% in the event of a change in recommendation by our board of directors, (ii) that the definition of burdensome condition be narrowed, and (iii) that Guarantor, Alipay and Merger Sub's monetary liability in all circumstances would be limited to the amount of the reverse termination fee. V&E also delivered to Simpson Thacher an initial draft of the MoneyGram disclosure schedules.

On January 25, 2017, Simpson Thacher delivered to V&E an initial draft of the payment guarantee, which provides credit support to backstop up to \$45 million of Alipay's obligations to pay a reverse termination fee. Also on January 25, 2017, representatives of MoneyGram, V&E, BofA Merrill Lynch, Ant Financial, Simpson Thacher and Citigroup met in person in V&E's offices in Dallas, Texas to finalize the definitive transaction documents, including the merger agreement, the voting agreements, the payment guarantee, the debt commitment letters, and the disclosure schedules, and to complete open diligence items and finalize plans for announcing the transaction and presenting it to various constituencies. V&E, Simpson Thacher and Fried, Frank, Harris, Shriver & Jacobson LLP, as counsel to Goldman Sachs, finalized the consent to be delivered by Goldman Sachs. In addition, representatives of Ant Financial, Simpson Thacher and Citigroup had a second due diligence discussion with Mr. Marcu, the corporate monitor for MoneyGram.

Later that afternoon, all of the members of our board of directors met, together with representatives of BofA Merrill Lynch and V&E. During such meeting, representatives of BofA Merrill Lynch presented to our board of directors updated financial analyses with respect to the revised offer of \$13.25 cash per share, which financial analyses are further described under The Merger Opinion of MoneyGram's Financial Advisor Regarding the Merger Consideration. BofA Merrill Lynch did not express any opinion at this meeting. However, after presenting the materials and in response to a question from our board of directors, representatives of BofA Merrill Lynch advised our board of directors that, based on their current understandings of the transaction, assuming no material changes to the terms of the proposed merger and subject to other assumptions and qualifications that would be set forth in a written opinion letter, the BofA Merrill Lynch representatives anticipated that, if requested to do so, BofA Merrill Lynch would be in a position to render an opinion as to the fairness, from a financial point of view, of the consideration to be received by holders of our Common Stock in the merger. Representatives from V&E also reviewed with our board of directors the key provisions of the near final transaction documents as well as the currently outstanding open items in such documents. Our board of directors discussed with representatives of MoneyGram's management, BofA Merrill Lynch and V&E the strategic, business and legal considerations relating to the proposed merger, the risks and benefits of the transaction compared to other alternatives available to MoneyGram and the terms of the merger agreement, as well as the resolutions to be approved and adopted by our board of directors in connection with the proposed transaction with

Alipay in the event the merger agreement were finalized and submitted to our board of directors

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for approval, potentially as early as the next morning. Our board of directors unanimously concluded it was generally supportive of the terms of the merger, subject to resolution of the final open items, and Ms. Patsley requested that members of our board of directors make themselves available in the event there was a telephone call to approve the merger before the opening of trading the next morning.

Overnight on January 25, 2016 and through the early morning hours on January 26, 2017, the parties finalized the terms of the transaction documents. At 6:00 a.m. Central Time that morning, our board of directors held a telephonic meeting at which members of MoneyGram's management and representatives of BofA Merrill Lynch and V&E were present. Two directors, J. Coley Clark and Peggy Vaughan, were not in attendance at the meeting due to logistical issues related to the meeting being called late the night before. At that meeting, representatives of V&E reviewed for our board of directors the final material terms of the proposed merger agreement. Also at this meeting, BofA Merrill Lynch reviewed with our board of directors its financial analysis of the merger consideration, which was substantially the same as the financial analysis reviewed at the meeting of our board of directors on January 25, 2017, and delivered to our board of directors an oral opinion, which was confirmed by delivery of a written opinion dated January 26, 2017, to the effect that, as of that date and based on and subject to various assumptions and limitations described in its opinion, the merger consideration to be received by holders of our Common Stock was fair, from a financial point of view, to such holders. The full text of the written opinion of BofA Merrill Lynch's opinion is attached to this proxy statement as Annex D and is incorporated by reference in this proxy statement in its entirety. See also "The Merger Opinion of MoneyGram's Financial Advisor Regarding the Merger Consideration." Following the presentations and discussion, the members of our board of directors present at the meeting unanimously approved and adopted the merger agreement and the merger, and unanimously resolved to recommend that MoneyGram stockholders vote to approve and adopt the merger agreement and the merger. Shortly following our board of directors meeting, the two directors who were not in attendance at the telephonic meeting confirmed their support of our board of directors determination to approve and adopt the merger agreement and the merger and recommend the MoneyGram stockholders vote to approve and adopt the merger agreement and the merger.

Later on January 26, 2017, prior to the opening of trading of our Common Stock on the NASDAQ, the parties executed the merger agreement and issued a joint press release announcing the transaction.

On the morning of March 14, 2017, Michael Brown, the Chairman and Chief Executive Officer of Euronet, delivered to Ms. Patsley an unsolicited proposal for Euronet to acquire MoneyGram for \$15.20 per share in cash, which contemplated an increase of \$1.95 per share over the merger consideration provided by the merger agreement. The proposal was non-binding and subject to due diligence. In addition to the proposal letter, Mr. Brown delivered an executed debt commitment letter from Wells Fargo Bank, National Association, WF Investment Holdings, LLC, and Wells Fargo Securities, LLC (collectively, "Wells Fargo"), committing Wells Fargo to provide 100% of the funding for (i) a senior secured revolving credit facility in an aggregate principal amount of \$250 million, (ii) a senior secured term loan B facility in an aggregate principal amount of \$1.925 billion and (iii) up to \$400 million in senior unsecured bridge loans.

Mr. Brown also delivered a draft merger agreement for a transaction between Euronet and MoneyGram (the "Euronet draft merger agreement"), which was substantially similar to the merger agreement, with certain key differences, including: (i) closing conditions and cooperation covenants with respect to obtaining CFIUS approvals had been deleted to reflect the fact that no such approvals would be necessary in a transaction where Euronet were the acquirer, given its domicile in the U.S., (ii) closing conditions with respect to obtaining money transfer permits had been deleted, (iii) a new closing condition was added requiring that all authorizations, consents, orders or approvals of, or declarations or filings with, and the expirations of the waiting periods required from, any governmental entity pursuant to any non-U.S. antitrust or competition law have been obtained, (iv) the covenants and termination rights and remedies related to approval under the HSR Act and foreign competition laws were revised such that Euronet

would have no obligation to take broad categories of specified actions, if requested or required, to obtain antitrust approval, but, if closing were not to occur due to a failure to obtain such approvals, Euronet would owe MoneyGram a reverse termination fee of \$69 million (the Euronet draft merger agreement, together with the proposal letter and the debt commitment letter, are also collectively referred to as the Euronet proposal).

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Also on the morning of March 14, 2017, Euronet issued a press release announcing the Euronet proposal, and held an investor call to discuss the Euronet proposal.

On the afternoon of March 14, 2017, our board of directors held an informational update call, during which call, our board of directors discussed several items with respect to the Euronet proposal, including the receipt of the proposal, the initial impressions of MoneyGram's legal and financial advisors, the fiduciary duties of our board of directors, MoneyGram's contractual rights and obligations under the merger agreement with respect to responding to the proposal, and process items. Our board of directors requested that management and its legal and financial advisors further evaluate the proposal and present to our board of directors the following afternoon in a formal meeting. Following the close of trading on March 14, 2017, MoneyGram issued a press release confirming receipt of the Euronet proposal.

On the afternoon of March 15, 2017, our board of directors held a telephonic meeting, attended by MoneyGram's legal and financial advisors and members of MoneyGram management. During that meeting, representatives from V&E reviewed with our board of directors materials summarizing key issues contained in the Euronet draft merger agreement and debt commitment letter, and representatives from BofA Merrill Lynch reviewed with our board of directors preliminary financial analyses of the Euronet proposal. Our board of directors then discussed the Euronet proposal with its financial and legal advisors and management, including by comparison with the merger agreement with respect to proposed price, deal certainty, and remedies in the event of a failed transaction, among other items, as well as the determinations necessary for our board of directors to find that the Euronet proposal could reasonably be expected to lead to a Company superior proposal. While the general consensus of our board of directors was that the Euronet proposal could reasonably be expected to lead to a Company superior proposal, given the fact that MoneyGram was planning on announcing earnings for the fiscal year ended December 31, 2016, later that day and filing its Annual Report on Form 10-K for the year ended December 31, 2016 the next morning, our board of directors determined to defer reaching a decision until the information in the Form 10-K was available to the marketplace generally and Euronet in particular.

Also on the afternoon of March 15, 2017, V&E delivered to Simpson Thacher a copy of the proposal letter and Euronet draft merger agreement, together with a summary of the key terms of the debt commitment letter.

On March 17, 2017, our board of directors determined by unanimous written consent that the Euronet proposal could reasonably be expected to lead to a Company superior proposal, and authorized MoneyGram management to negotiate with Euronet a confidentiality agreement that would comply with the requirements of an acceptable confidentiality agreement. Upon entry into such an acceptable confidentiality agreement, our board of directors authorized management to initiate discussions and diligence with Euronet with respect to the Euronet proposal.

Following such determination, on March 17, 2017, Ms. Patsley advised Mr. Feagin of the determination of our board of directors that the Euronet proposal could reasonably be expected to result in a Company superior proposal, and delivered to Mr. Feagin a draft of MoneyGram's press release announcing such determination that MoneyGram expected to release before trading opened following the weekend, on March 20. On the same date, V&E also delivered an initial draft confidentiality agreement to Gibson Dunn & Crutcher LLP (Gibson Dunn), legal advisors to Euronet.

After exchanging several drafts of the confidentiality agreement, MoneyGram and Euronet entered into a confidentiality and standstill agreement on March 26, 2017.

Following the execution of the confidentiality and standstill agreement between MoneyGram and Euronet, later in the afternoon on the same day, Gibson Dunn delivered to V&E an initial due diligence request list.

Over the following week, in light of Euronet being a direct competitor of MoneyGram and in consideration of the risks of sharing competitively sensitive information, representatives of MoneyGram, V&E and BofA

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Merrill Lynch had a number of discussions with representatives of Euronet, Gibson Dunn and Wells Fargo, financial advisor to Euronet, with respect to the scope of the due diligence request list, prioritizing key due diligence matters and establishing the procedures for sharing sensitive due diligence information. That same week, MoneyGram commenced providing certain of the requested due diligence information to Euronet and its representatives.

On the afternoon of April 3, 2017, our board of directors held a meeting, which was attended by representatives of BofA Merrill Lynch, V&E and Paul Hastings, to discuss (i) the status of the regulatory approvals required to be obtained in connection with the merger, (ii) the status of the Euronet proposal and related due diligence, (iii) the terms of the Euronet draft merger agreement and proposed revisions thereto and (iv) matters related to setting a date for the special meeting and filing and mailing a definitive proxy statement to stockholders. At the conclusion of the meeting, our board of directors approved the record date and meeting date for the special meeting and authorized the mailing of a definitive proxy statement to MoneyGram stockholders.

Later that evening, V&E delivered to Gibson Dunn a revised draft of the Euronet draft merger agreement, which revised draft, among other things, (i) contemplated that Euronet would be required to pay the \$30 million termination fee to Alipay, on behalf of MoneyGram, if the merger agreement were terminated by MoneyGram to enter into a definitive agreement with Euronet and (ii) included provisions that generally would result in Euronet bearing more risk with respect to the efforts to obtain any competition approval, including HSR approval, than had been proposed in Euronet's initial draft of the Euronet draft merger agreement.

On the afternoon of April 7, 2017, representatives of V&E and Gibson Dunn held a conference call, during which they discussed certain open items in the merger agreement. During the course of such call, the representatives of V&E advised the representatives of Gibson Dunn that MoneyGram wanted to be certain that progress was being made on the merger agreement prior to providing certain sensitive information to Euronet in due diligence.

On April 9, 2017, MoneyGram and Euronet entered into an agreement regarding the exchange of competitively sensitive material, providing for certain procedures to be followed with respect to sharing sensitive information during due diligence. Also on April 9, 2017, Gibson Dunn distributed a revised draft merger agreement to V&E, which draft, among other things, (i) provided that Euronet would pay the \$30 million termination fee to Alipay, on behalf of MoneyGram, if the merger agreement were terminated by MoneyGram to enter into a definitive agreement with Euronet, but lowered the reverse termination fee payable by Euronet upon termination of the Euronet merger agreement under specified circumstances by a corresponding \$30 million, from \$69 million to \$39 million; (ii) provided that the initial end date under the merger agreement would be 12 months following signing and that either party would have the ability to extend the end date under the merger agreement to 15 months following signing, if the requisite antitrust approvals had not been obtained by the 12-month end date, but the other closing conditions had been satisfied and (iii) provided that Euronet would agree to take remedial actions resulting in up to \$100 million in lost value, but not in excess thereof, in order to obtain antitrust approval, but that no reverse termination fee would be payable by Euronet in the event the Euronet merger were not completed due to a failure to obtain requisite antitrust approvals. In the draft merger agreement provided to MoneyGram on March 14, 2017, Euronet had previously proposed that a reverse termination fee of \$69 million would be payable by Euronet in the event the Euronet merger was not completed due to a failure to obtain requisite antitrust approvals.

Reasons for the Merger and the Recommendation of Our Board of Directors

At a meeting of our board of directors held on January 26, 2017, our board of directors approved and adopted the merger agreement and the merger. Our board of directors unanimously recommends that the stockholders of MoneyGram vote for the approval and adoption of the merger agreement and the merger.

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In the course of reaching its decision, our board of directors consulted with our senior management and our financial and legal advisors, reviewed a significant amount of information and considered a number of factors, including, among others, the following factors:

Merger Consideration. Our board of directors considered the \$13.25 per share in cash to be paid as merger consideration. Specifically, our board of directors considered:

the fact that the \$13.25 per share in cash to be paid as merger consideration represented a 91% premium to \$6.92, the closing price of our Common Stock on October 4, 2016, the day of the first meeting of MoneyGram's management with representatives of Ant Financial and a 4% premium to Ant Financial's proposed price of \$12.75 per share in cash, made on January 2, 2017;

the belief of our board of directors that the \$13.25 per share in cash to be paid as merger consideration was the highest price per share that Ant Financial was willing to agree to pay, and the views of our board of directors as to the likelihood that any third party would be willing to pay more to acquire MoneyGram on the same or substantially similar terms;

the fact that the \$13.25 per share in cash to be paid as merger consideration represents a premium of approximately (i) 25% to the volume-weighted average trading price of \$10.62 for the 90-day period ended January 25, 2017, (ii) 12% to the closing price of \$11.88 on January 25, 2017, the last trading day prior to the approval by our board of directors of the merger and (iii) two percent to \$13.00, the two-year trading high for our Common Stock prior to January 26, 2017; and

the fact that the merger consideration would be paid solely in cash, without a financing contingency, which compared to non-cash consideration, provides certainty and immediate liquidity and value to our stockholders, in each case upon and assuming closing of the merger.

Risks associated with continued independence. Our board of directors considered the risks associated with continued independence, including:

risks associated with operating in a highly competitive industry, including that some of our competitors have larger and more established customer bases and substantially greater financial, marketing and other resources than we have, and the risks that other third parties with more resources, including certain of MoneyGram's agents, may enter the marketplace in the future;

risks associated with our reliance on key agents, including Walmart, which accounted for 18% and 19% of our total company revenue in 2016 and 2015, respectively;

risks associated with operating in a highly regulated industry, including with respect to laws and regulations intended to prevent consumer fraud, money laundering and terrorism financing, the high ongoing compliance costs associated with operating in such industry, and the possibility of litigation or investigations involving us or our agents;

risks associated with our ability to access capital and our indebtedness, including our debt service obligations, debt covenant requirements and our below investment grade credit rating; and

risks associated with having a single stockholder group (i.e. THL) that holds a substantial percentage of our Common Stock (approximately 44% of our outstanding Common Stock).

MoneyGram's current condition and future prospects. Our board of directors considered information with respect to our financial condition, results of operations, business, competitive position and business strategy on a historical and prospective basis, as well as current industry, economic and market conditions and trends. Our board of directors also considered the potential future value of MoneyGram, together with the risks associated with continued independence discussed above, as compared to the value of the merger consideration.

Possibility of more favorable bid. Our board of directors considered its assessment as to the possibility that a third party with the financial means would agree to a transaction at a higher price than Ant

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Financial on similar or more favorable terms, given MoneyGram's historical discussions with prospective counterparties and the nature of such discussions, as more fully described in The Merger Background of the Merger.

Opinion of MoneyGram's Financial Advisor. Our board of directors considered the opinion provided by BofA Merrill Lynch, dated January 26, 2017, to our board of directors as to the fairness, from a financial point of view and as of the date of the opinion, of the merger consideration to be received by holders of our Common Stock, as more fully described in the subsection entitled The Merger Opinion of MoneyGram's Financial Advisor Regarding the Merger Consideration. The full text of the opinion is attached as Annex D to this proxy statement.

Characteristics of Ant Financial, Guarantor and Alipay. Our board of directors considered the business reputation and capabilities of Ant Financial and its management, Ant Financial's experience executing acquisitions (including of a U.S.-based business), Ant Financial's commitment to its growth strategy, the resources available to Guarantor and Alipay to complete the merger and the strong commercial incentives and motivations of Ant Financial, Guarantor and Alipay to timely obtain all necessary regulatory approvals and complete the merger.

Financing. Our board of directors considered the terms of the debt financing bridge commitments provided to Guarantor in connection with the merger (including the limited conditionality set forth in the debt financing commitments) and the commitments of Guarantor to make the proceeds of the debt financing available to Alipay to fund the merger consideration, together with the financial capabilities and reputation of the financing sources, including the fact that all of the approximately \$1.85 billion of bridge financing was committed by Citigroup prior to the execution of the merger agreement.

Likelihood of consummation. Our board of directors considered the likelihood that the merger would be completed in light of, among other things, the conditions to the merger and the absence of a financing condition, the absence of any condition related to the receipt of third party commercial consents or approvals, the relative likelihood of obtaining required regulatory approvals, Alipay's representation that it will have sufficient financial resources to pay the merger consideration and consummate the merger, and the remedies available to us under the merger agreement in the event of various breaches by Alipay, including the payment guarantee discussed below.

Merger Agreement. Our board of directors considered the terms of the merger agreement, including:

the representations, warranties and covenants of the parties, the conditions to the parties' obligations to complete the merger and their ability to terminate the merger agreement;

Alipay's undertakings in furtherance of obtaining required regulatory approvals and the fact that the consummation of the merger agreement is (i) conditioned on obtaining only the required money transfer permits, as more further described in The Merger Regulatory Matters, and not all approvals

related to money transmitter licenses and (ii) not conditioned on obtaining the consent of any third party under commercial agreements;

the obligation of Alipay under certain circumstances to pay us a termination fee of:

\$60 million, in connection with any failure to consummate the merger if the relevant conditions are satisfied and in certain circumstances following a willful and material breach by Alipay or Merger Sub; and

\$17.5 million, in connection with the termination of the merger agreement in specified circumstances when CFIUS Approval has not been obtained;

Guarantor's obligation to guarantee Alipay's payment of any termination fee payable under the merger agreement, and the fact that MoneyGram has no obligation to seek payment from Alipay prior to seeking to recover from Guarantor;

the fact that Alipay agreed to provide MoneyGram, prior to the execution of the merger agreement, a payment guarantee issued by Citibank N.A., Hong Kong branch for \$45 million

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supporting Alipay's payment obligations, which MoneyGram will have the right to draw against in the event a termination fee or certain other amounts payable by Alipay pursuant to the terms of the merger agreement are not paid by Alipay;

the right of MoneyGram and our board of directors to respond to a competing proposal from any bidder, subject to certain restrictions and the requirement that we pay Alipay a termination fee of \$30 million if we terminate the merger agreement to accept a superior proposal;

the belief of our board of directors that, although the no solicitation covenant and termination fee provisions might have the effect of discouraging competing third-party proposals or reducing the price of such proposals, such provisions are customary for transactions of this size and type, and its belief that the \$30 million termination fee, representing approximately 3.5% of the equity value of the transaction, was reasonable in the context of comparable transactions, particularly given the discussions with certain other potential bidders that we held in advance of the execution of the merger agreement, as more fully described in *The Merger Background of the Merger*; and

the right of our board of directors to change its recommendation, subject to certain restrictions, in connection with a superior proposal or other circumstances in which our board of directors determines the failure to do so would be inconsistent with its fiduciary duties under applicable law.

Support of THL and Goldman Sachs. The fact that MoneyGram's two largest stockholders, THL and Goldman Sachs (taking into account the shares of Series D Stock owned by Goldman Sachs on an as converted basis), were willing to commit to participate in the merger on the same terms as holders of our Common Stock generally, with THL agreeing to enter into a voting and support agreement obligating THL to vote in favor of the merger and Goldman Sachs providing its written consent to the merger prior to execution of the merger agreement.

Current economic and political conditions. Our board of directors considered the current state of the economy, debt financing markets, political climate and general uncertainty surrounding forecasted economic and political conditions, both in the near term and the long term, and both generally and within our industry. In the course of reaching its decision, our board of directors also considered a number of potentially negative factors including, among others, the following:

Risks associated with announcement and pendency of the Merger. Our board of directors considered the risk that the announcement and pendency of the merger, including the restrictions on the conduct of our business, may cause substantial harm to relationships with our employees, agents, customers and partners and may divert management and employee attention away from the day-to-day operation of our business. Our board of directors also considered the possibility that the time period between the signing of the merger agreement and the closing of the merger could be significant due to the expected time necessary to obtain required regulatory approvals, which enhances those risks.

Risks associated with a failure to consummate the Merger. Our board of directors considered the fact that there can be no assurance that all conditions to the parties' obligations to consummate the merger will be satisfied, and, as a result, the possibility that the merger might not be completed, and further noted that these risks may be heightened due to the additional regulatory approvals required given that Alipay is not domiciled in the U.S. Our board of directors noted the fact that, if the merger is not completed:

we will have incurred significant risk and transaction and opportunity costs, including the possibility of disruption to our operations, diversion of management and employee attention, employee attrition and a potentially negative effect on our business and agent and customer relationships; and, we may not be compensated completely or at all for such costs through the payment of the termination fee;

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depending on the circumstances that caused the merger not to be completed, it is likely that the price of our Common Stock will decline significantly; and

the market's perception of our prospects could be adversely affected.

Regulatory risk. Our board of directors considered the risk that necessary regulatory approvals may be delayed, conditioned or denied, including the fact that no termination fee would be payable by Alipay if certain regulatory approvals other than CFIUS Approval were not satisfied and Alipay were not then in willful and material breach of its obligations under the merger agreement.

Financing risk. Our board of directors considered the risk that, while the merger agreement is not by its terms subject to a financing condition, if Guarantor fails to obtain sufficient financing (notwithstanding the terms of the debt commitments), the merger may not be consummated and the termination fee of \$60 million payable to us by Alipay in such event may not be sufficient to compensate us for potential losses we may incur under such circumstances.

Enforcement risk. Our board of directors considered that Guarantor's and Alipay's respective status as a foreign entity without substantial assets in the U.S. would, by its nature, make enforcement of our rights under the merger agreement (including our right to seek specific performance to cause Alipay to consummate the merger in certain circumstances and to cause Guarantor to make the proceeds of the debt financing available to Alipay to complete the merger) against Alipay and Guarantor more difficult than against a buyer located in the U.S. with substantial assets subject to the jurisdiction of U.S. courts, and that this risk was only partially mitigated by the \$45 million payment guarantee provided for the benefit of MoneyGram by Citibank N.A., Hong Kong branch.

Merger Agreement. Our board of directors considered the terms of the merger agreement, including:

the restrictions on the conduct of our business prior to the completion of the merger, which could delay or prevent us from realizing certain business opportunities or taking certain actions with respect to our operations we would otherwise take absent the pending merger;

provisions that preclude us from actively soliciting alternative proposals to the merger;

certain limitations on Alipay's undertakings in furtherance of obtaining required regulatory approvals, as more further described under "The Merger - Regulatory Matters";

the requirement that, if the merger agreement is terminated under certain circumstances, including by MoneyGram to accept a superior proposal, MoneyGram would be obligated to pay a \$30 million termination fee to Alipay, which might have the effect of discouraging alternative acquisition

proposals or reducing the price of such proposals; and

provisions that generally limit the monetary liability of Alipay under the merger agreement to \$60 million.

Tax treatment. Our board of directors considered the fact that an all cash transaction would be taxable to MoneyGram's stockholders that are U.S. holders for U.S. federal income tax purposes.

Participation in future gains. Our board of directors considered the fact that MoneyGram will no longer exist as an independent public company and MoneyGram's stockholders will forgo any future increase in MoneyGram's value that might result from our earnings or possible growth as an independent company.

Risk factors. Our board of directors considered other risks and uncertainties including those listed above in the section entitled Cautionary Note Regarding Forward-Looking Statements.

While our board of directors considered potentially positive and potentially negative factors, our board of directors concluded that, overall, the potentially positive factors outweighed the potentially negative factors. Accordingly, our board of directors unanimously determined that the merger agreement and the merger are advisable and fair to, and in the best interests of, MoneyGram and its stockholders.

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The foregoing discussion is not intended to be an exhaustive list of the information and factors considered by our board of directors in its consideration of the merger, but is merely a summary of the material positive factors and material negative factors considered by our board of directors in that regard. In view of the number and variety of factors and the amount of information considered, our board of directors did not find it practicable to make specific assessments of, quantify, or otherwise assign relative weights to the specific factors considered in reaching its determination. In addition, our board of directors did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to its ultimate determination, and individual members of our board of directors may have given different weights to different factors. Based on the totality of the information presented, our board of directors collectively reached the unanimous decision to approve and adopt the merger agreement and the merger in light of the factors described above and other factors that the members of our board of directors felt were appropriate.

When you consider our board of directors' recommendation, you should be aware that MoneyGram's directors may have interests in the merger that may be different from, or in addition to, the interests of MoneyGram's stockholders generally. These interests are described in the section entitled "The Merger - Interests of MoneyGram's Executive Officers and Directors in the Merger."

This explanation of MoneyGram's reasons for the merger and other information presented in this section is forward-looking in nature and, therefore, should be read in light of the section entitled "Cautionary Note Regarding Forward-Looking Statements."

For a summary of the effect of the Euronet proposal on the merger and the recommendation of our board of directors, please see the section entitled "Summary - Recent Developments Regarding the Euronet Proposal" beginning on page 16 of this proxy statement.

Opinion of MoneyGram's Financial Advisor Regarding the Merger Consideration

MoneyGram has retained BofA Merrill Lynch to act as MoneyGram's financial advisor in connection with the merger. BofA Merrill Lynch is an internationally recognized investment banking firm which is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. MoneyGram selected BofA Merrill Lynch to act as MoneyGram's financial advisor in connection with the merger on the basis of BofA Merrill Lynch's experience in transactions similar to the merger, its reputation in the investment community and its familiarity with MoneyGram and its business.

On January 26, 2017, at a meeting of our board of directors which was held to evaluate the merger, BofA Merrill Lynch delivered to our board of directors an oral opinion, confirmed by delivery of a written opinion dated January 26, 2017, to the effect that, as of the date of the opinion and based on and subject to various assumptions and limitations described in its opinion, the merger consideration to be received by holders of our Common Stock was fair, from a financial point of view, to such holders.

The full text of BofA Merrill Lynch's written opinion, dated January 26, 2017, to our board of directors, which describes, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken, is attached as Annex D to this proxy statement and is incorporated by reference herein in its entirety. The following summary of BofA Merrill Lynch's opinion is qualified in its entirety by reference to the full text of the opinion. BofA Merrill Lynch delivered its opinion to our board of directors for the benefit and use of our board of directors (in its capacity as our board of directors) in connection with and for purposes of its evaluation of the merger consideration from a financial point of view. BofA Merrill Lynch's

opinion does not address any other aspect of the merger and no opinion or view was expressed as to the relative merits of the merger in comparison to other strategies or transactions that might be available to MoneyGram or in which MoneyGram might engage

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or as to the underlying business decision of MoneyGram to proceed with or effect the merger. BofA Merrill Lynch also expressed no opinion or recommendation as to how any stockholder should vote or act in connection with the proposed merger or any other matter.

In connection with its opinion, BofA Merrill Lynch, among other things:

reviewed certain publicly available business and financial information relating to MoneyGram;

reviewed certain internal financial and operating information with respect to the business, operations and prospects of MoneyGram furnished to or discussed with BofA Merrill Lynch by the management of MoneyGram, including certain financial forecasts relating to MoneyGram prepared by the management of MoneyGram, which are described under Unaudited Financial Projections of MoneyGram and referred to in the proxy statement as the MoneyGram Unaudited Financial Projections ;

discussed the past and current business, operations, financial condition and prospects of MoneyGram with members of senior management of MoneyGram;

reviewed the trading history for our Common Stock and a comparison of that trading history with the trading histories of other companies BofA Merrill Lynch deemed relevant;

compared certain financial and stock market information of MoneyGram with similar information of other companies BofA Merrill Lynch deemed relevant;

compared certain financial terms of the merger to financial terms, to the extent publicly available, of other transactions BofA Merrill Lynch deemed relevant;

reviewed a draft, dated January 26, 2017, of the merger agreement (which we refer to in this section of this proxy statement as the Draft Agreement); and

performed such other analyses and studies and considered such other information and factors as BofA Merrill Lynch deemed appropriate.

In arriving at its opinion, BofA Merrill Lynch assumed and relied upon, without independent verification, the accuracy and completeness of the financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with it and relied upon the assurances of the management of MoneyGram that it is not aware of any facts or circumstances that would make such information or data inaccurate or misleading in any material respect. With respect to the MoneyGram Unaudited Financial Projections, BofA Merrill Lynch was advised by MoneyGram, and assumed, that they were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of MoneyGram as to the future financial performance of MoneyGram. BofA Merrill Lynch did not make and was not provided with any independent evaluation or appraisal of

the assets or liabilities (contingent or otherwise) of MoneyGram or any other entity, nor did it make any physical inspection of the properties or assets of MoneyGram. BofA Merrill Lynch did not evaluate the solvency or fair value of MoneyGram or Alipay under any state, federal or other laws relating to bankruptcy, insolvency or similar matters. BofA Merrill Lynch assumed, at the direction of MoneyGram, that the merger would be consummated in accordance with its terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary governmental, regulatory and other approvals, consents, releases and waivers for the merger, no delay, limitation, restriction or condition, including any divestiture requirements or amendments or modifications, would be imposed that would have an adverse effect on MoneyGram or the contemplated benefits of the merger. BofA Merrill Lynch also assumed, at the direction of MoneyGram, that the final executed merger agreement did not differ in any material respect from the Draft Agreement reviewed by BofA Merrill Lynch.

BofA Merrill Lynch expressed no view or opinion as to any terms or other aspects or implications of the merger (other than the merger consideration to the extent expressly specified in its opinion), including, without limitation, the form or structure of the merger, any related transactions or any voting or other agreement, arrangement or understanding entered into in connection with or related to the merger or otherwise. At the

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direction of MoneyGram, BofA Merrill Lynch engaged in only a limited solicitation of proposals from selected third parties regarding a possible acquisition of MoneyGram. BofA Merrill Lynch's opinion was limited to the fairness, from a financial point of view, of the merger consideration to be received by the holders of our Common Stock and no opinion or view was expressed with respect to any other consideration received in connection with the merger by the holders of any class of securities, creditors or other constituencies of any party. In addition, no opinion or view was expressed with respect to the fairness (financial or otherwise) of the amount, nature or any other aspect of any compensation to any of the officers, directors or employees of any party to the merger, or class of such persons, relative to the merger consideration or otherwise. Furthermore, no opinion or view was expressed as to the relative merits of the merger in comparison to other strategies or transactions that might be available to MoneyGram or in which MoneyGram might engage or as to the underlying business decision of MoneyGram to proceed with or effect the merger. In addition, BofA Merrill Lynch did not express any view or opinion with respect to, and relied, at the direction of MoneyGram, upon the assessments of MoneyGram and its representatives regarding, legal, regulatory, accounting, tax and similar matters relating to MoneyGram or any other entity and the merger, as to which matters BofA Merrill Lynch understood that MoneyGram had obtained such advice as MoneyGram deemed necessary from qualified professionals. BofA Merrill Lynch further expressed no opinion or recommendation as to how any stockholder should vote or act in connection with the merger or any other matter. Except as described above, MoneyGram imposed no other limitations on the investigations made or procedures followed by BofA Merrill Lynch in rendering its opinion.

BofA Merrill Lynch's opinion was necessarily based on financial, economic, monetary, market and other conditions and circumstances as in effect on, and the information made available to BofA Merrill Lynch as of, the date of its opinion. It should be understood that subsequent developments may affect its opinion, and BofA Merrill Lynch does not have any obligation to update, revise or reaffirm its opinion. The issuance of BofA Merrill Lynch's opinion was approved by a fairness opinion review committee of BofA Merrill Lynch.

The discussion set forth below in the section entitled *MoneyGram Financial Analyses* represents a brief summary of the material financial analyses presented by BofA Merrill Lynch to our board of directors on January 26, 2017 in connection with its opinion, dated January 26, 2017. The financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses performed by BofA Merrill Lynch, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses performed by BofA Merrill Lynch. Considering the data set forth in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the financial analyses performed by BofA Merrill Lynch.

MoneyGram Financial Analyses

Selected Publicly Traded Companies Analysis. BofA Merrill Lynch reviewed publicly available financial and stock market information for MoneyGram and the following 15 selected publicly traded companies in the money remittance, consumer financial services and payments processing businesses, of which, in BofA Merrill Lynch's professional judgment and experience, the companies designated as primary selected publicly traded companies were more similar to MoneyGram than the other selected publicly traded companies (which BofA Merrill Lynch further classified, based on its professional judgment and experience, between payment processors and financial technology (processor and fintech) companies and consumer finance companies), in each case when viewed as a whole, as regards to financial, operating and other characteristics:

Primary Selected Publicly Traded Companies

The Western Union Company

H&R Block, Inc.

Green Dot Corporation

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Other Selected Publicly Traded Companies

Processor and FinTech Companies

First Data Corporation

Euronet Worldwide, Inc.

Cardtronics plc

Blackhawk Network Holdings, Inc.

EVERTEC, Inc.

Qivi plc

Everi Holdings Inc.

Consumer Finance Companies

Synchrony Financial

Discovery Financial Services, Inc.

Ally Financial Inc.

Santander Consumer USA Holdings Inc.

OneMain Holdings, Inc.

BofA Merrill Lynch reviewed, among other things, enterprise values (EVs) of the selected publicly traded companies, calculated as their equity values based on their closing stock prices on January 25, 2017 and the number of their fully diluted shares using the treasury stock method, plus debt, preferred stock, minority interests, the after-tax value of pension and post-retirement liabilities and SERP liabilities, and less cash, short-term investments and long-term investments, as a multiple of calendar year 2016 and 2017 estimated adjusted earnings before interest, taxes, depreciations and amortization, not burdened by stock-based compensation expenses, special charges, one-time items

and amortization of intangibles, referred to as Adjusted EBITDA, but burdened by amortization of signing bonus payments, as applicable (Adjusted EBITDA (Burdened)). Amortization costs of signing bonus payments for MoneyGram were assumed to be \$54.6 million, \$52.0 million, \$52.3 million and \$48.8 million for the years ending December 31, 2017, 2018, 2019 and 2020, respectively, based on the MoneyGram Unaudited Financial Projections. BofA Merrill Lynch also reviewed per share equity values, based on closing stock prices on January 25, 2017, of the selected publicly traded companies as a multiple of calendar years 2017 and 2018 estimated adjusted earnings per share, not burdened by stock-based compensation expenses, special charges, one-time items and amortization of acquired intangibles (Adjusted EPS).

The mean and median EV / calendar year 2016 estimated Adjusted EBITDA (Burdened) multiples observed for the primary selected publicly traded companies were 8.7x and 9.2x, respectively, and the mean and median EV / calendar year 2017 estimated Adjusted EBITDA (Burdened) multiple observed for the primary selected publicly traded companies was 8.2x. The mean and median price / calendar year 2017 estimated Adjusted EPS multiples observed for the primary selected publicly traded companies were 13.1x and 12.9x, respectively, and the mean and median price / calendar year 2018 estimated Adjusted EPS multiples observed for the primary selected publicly traded companies were 12.2x and 12.1x, respectively.

The mean and median EV / calendar year 2016 estimated Adjusted EBITDA (Burdened) multiples observed for the other selected processor and fintech companies were 9.8x and 10.4x, respectively, and the mean and median EV / calendar year 2017 estimated Adjusted EBITDA (Burdened) multiples observed for the other selected processor and fintech companies were 9.2x and 9.8x, respectively. The median price / calendar year

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2017 estimated Adjusted EPS multiples observed for the other selected processor and fintech companies were 14.4x and 14.0x, respectively, and the median price / calendar year 2018 estimated Adjusted EPS multiples observed for the other selected processor and fintech companies were 13.1x and 11.9x, respectively. The median price / calendar year 2017 estimated Adjusted EPS multiples observed for the other selected consumer finance companies were 8.7x and 8.3x, respectively, and the median price / calendar year 2018 estimated Adjusted EPS multiples observed for the other selected consumer finance companies were 7.7x and 7.0x, respectively. BofA Merrill Lynch noted that, in light of differences in the financial and operating characteristics of the other selected consumer finance companies and the other two groups of publicly traded companies, the median EV / calendar year 2016 estimated Adjusted EBITDA (Burdened) multiples for the other selected consumer finance companies was not relevant to its selected publicly traded companies analysis and BofA Merrill Lynch therefore did not compute such multiples.

BofA Merrill Lynch then observed that the shares of our Common Stock historically traded at a discount to our Common Stock of the selected publicly traded companies according to certain measures. In particular, BofA Merrill Lynch observed that MoneyGram's multiple of equity value to estimated Adjusted EBITDA (Burdened) (i) over the three years ended January 25, 2017, averaged 1.4x and 3.2x lower than the mean of such multiple for each of the primary selected publicly traded companies and the other selected processor and fintech companies, respectively; (ii) over the year ended January 25, 2017, averaged 1.7x and 2.8x lower than the mean of such multiple for each of the primary selected publicly traded companies and the other selected processor and fintech companies, respectively; and (iii) for the next 12 months as of January 25, 2017 (NTM) was 0.9x and 2.5x lower than the mean of such multiple for each of the primary selected publicly traded companies and the other selected processor and fintech companies, respectively. Similarly, BofA Merrill Lynch observed that MoneyGram's price / estimated Adjusted EPS multiple (i) over the three years ended January 25, 2017, averaged 4.3x, 4.7x and 0.2x lower than the mean of such multiple as between MoneyGram and each of the primary selected publicly traded companies, the other selected processors and fintech companies and the other selected consumer finance companies, respectively; (ii) over the year ended January 25, 2017, averaged 4.8x and 4.7x lower than the mean of such multiple for each of the primary selected publicly traded companies and the other selected processor and fintech companies, respectively, and 0.2x higher than the mean of such multiple for the other selected consumer finance companies; and (iii) for NTM, was 1.6x and 2.7x lower than the mean of such multiple for each of the primary selected publicly traded companies and the other selected processor and fintech companies, respectively, and 3.0x higher than the mean of the other selected consumer finance companies. Based on its professional judgment and experience and after taking into consideration, among other things, the observed data for the selected publicly traded companies and for MoneyGram (including the observations described above), BofA Merrill Lynch then applied (i) low to high EV / calendar year 2017 estimated Adjusted EBITDA (Burdened) multiples of 6.5x to 8.0x derived from the selected publicly traded companies analysis to fiscal year 2017 estimated Adjusted EBITDA (Burdened) for MoneyGram, and (ii) low to high price / calendar year 2017 estimated Adjusted EPS multiples of 11.0x to 13.5x derived from the selected publicly traded companies analysis to fiscal year 2017 estimated Adjusted EPS for MoneyGram. Estimated financial data of the selected publicly traded companies were based on publicly available research analysts' estimates, and estimated financial data of MoneyGram were based on the MoneyGram Unaudited Financial Projections and MoneyGram's preliminary financial results for the calendar year 2016. This analysis indicated the following approximate implied per share equity value reference ranges for MoneyGram (rounded to the nearest \$0.05 per share), as compared to the merger consideration:

Implied Per Share Equity Value Reference Ranges for MoneyGram

Based on:

FY 2017E Adjusted EBITDA (Burdened)

\$9.85 - \$14.95

FY 2017E Adjusted EPS

\$10.70 - \$13.10

Merger Consideration

\$13.25

No company used in this analysis is identical to MoneyGram. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the public trading or other values of the companies to which MoneyGram was compared.

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Selected Precedent Transactions Analysis. BofA Merrill Lynch reviewed, to the extent publicly available, financial information relating to the following nine selected transactions involving companies in the payments processing and money remittance businesses:

Date Announced	Acquiror(s)	Target
July 25, 2016	Apollo Global Management, LLC	Outerwall Inc.
September 18, 2014	Green Dot Corporation	Santa Barbara Tax Products Group
January 30, 2013	ACI Worldwide, Inc.	Online Resources Corporation
January 14, 2013	Fiserv, Inc.	Open Solutions Inc.
September 15, 2010	Vantiv, LLC	National Processing Co.
July 1, 2010	Apollo Management LP	EVERTEC, Inc.
April 1, 2009	Fidelity National Information Services, Inc.	Metavante Technologies, Inc.
March 30, 2009	Advent International Corporation	Fifth Third Processing Solutions, LLC
February 12, 2008	Thomas H Lee Partners LP and Goldman, Sachs & Co.	MoneyGram International, Inc.(1)

(1) Represents recapitalization transaction of MoneyGram by Thomas H. Lee Partners and Goldman Sachs for an approximately 79% equity stake through the issuance of preferred securities.

BofA Merrill Lynch reviewed transaction values (TVs), calculated as the enterprise value implied for the target company based on the consideration payable in the selected transaction, as a multiple of (i) the target company's latest 12 months (LTM) Adjusted EBITDA (Burdened) and (ii) the target company's estimated NTM Adjusted EBITDA (Burdened). The overall low to high TV / LTM Adjusted EBITDA (Burdened) multiple and TV / estimated NTM Adjusted EBITDA (Burdened) multiple observed for the selected transactions were 3.6x to 9.1x (with a mean of 7.0x and a median of 7.4x) and 4.2x to 9.3x (with a mean of 7.0x and a median of 7.3x), respectively. Based on its professional judgment and experience and after taking into consideration, among other things, the observed data for the selected precedent transactions, BofA Merrill Lynch then applied (x) a selected range of TV / LTM Adjusted EBITDA (Burdened) multiples of 7.0x to 8.5x derived from the selected transactions analysis to fiscal year 2016 estimated Adjusted EBITDA (Burdened) for MoneyGram, and (y) a selected range of TV / estimated NTM Adjusted EBITDA (Burdened) multiples of 6.5x to 8.0x derived from the selected transactions analysis to fiscal year 2017 estimated Adjusted EBITDA (Burdened) for MoneyGram. Estimated financial data of the selected transactions were based on publicly available information at the time of announcement of the relevant transaction, and estimated financial data of MoneyGram were based on the MoneyGram Unaudited Financial Projections and MoneyGram's preliminary financial results for the calendar year 2016. This analysis indicated the following approximate implied per share equity value reference ranges for MoneyGram (rounded to the nearest \$0.05 per share), as compared to the merger consideration:

Implied Per Share Equity Value Reference Ranges for MoneyGram Based on:	Merger Consideration
FY 2016E Adjusted EBITDA (Burdened)	FY 2017E Adjusted EBITDA (Burdened)

\$9.40 - \$14.10

\$9.85 - \$14.95

\$13.25

No company, business or transaction used in this analysis is identical to MoneyGram or the merger. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the acquisition or other values of the companies, business segments or transactions to which MoneyGram and the merger were compared.

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Discounted Cash Flow Analysis. BofA Merrill Lynch performed a discounted cash flow analysis of MoneyGram to calculate the estimated present value of the standalone unlevered, after-tax free cash flows that MoneyGram was forecasted to generate during MoneyGram's fiscal year 2017 through fiscal year 2020 based on the MoneyGram Unaudited Financial Projections. BofA Merrill Lynch calculated terminal values for MoneyGram by applying perpetuity growth rates ranging from 3.00% to 3.50% to MoneyGram's terminal year estimated standalone unlevered, after-tax free cash flows. The cash flows and terminal values were then discounted to present value as of December 31, 2016 using discount rates ranging from 10.75% to 12.75%, which were based on an estimate of MoneyGram's weighted average cost of capital. This analysis indicated the following approximate implied per share equity value reference range for MoneyGram (rounded to the nearest \$0.05 per share), as compared to the merger consideration:

Implied Per Share Equity Value

Reference Range for MoneyGram	Merger Consideration
\$9.65 - \$16.95	\$ 13.25

Other Factors

BofA Merrill Lynch also noted certain additional factors that were not considered part of BofA Merrill Lynch's material financial analyses with respect to its opinion but were referenced for informational purposes, including, among other things, the following:

historical trading prices and trading volumes of our Common Stock, which indicated low and high closing prices for our Common Stock during the 52-week period ended January 25, 2017 of approximately \$4.75 to \$13.00 per share (rounded to the nearest \$0.05 per share); and

one-year future stock price targets for our Common Stock in publicly available research analyst reports, which indicated stock price targets for MoneyGram, discounted to present value utilizing MoneyGram's cost of equity of 17.2% (as determined by BofA Merrill Lynch based on an estimate of MoneyGram's weighted average cost of capital), of a range of approximately \$6.00 to \$11.10 per share (rounded to the nearest \$0.05 per share).

Miscellaneous

As noted above, the discussion set forth above in the section entitled "MoneyGram Financial Analyses" is a summary of the financial analyses presented by BofA Merrill Lynch to our board of directors in connection with its opinion and is not a comprehensive description of all analyses undertaken or factors considered by BofA Merrill Lynch in connection with its opinion. The preparation of a financial opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a financial opinion is not readily susceptible to partial analysis or summary description. BofA Merrill Lynch believes that its analyses summarized above must be considered as a whole. BofA Merrill Lynch further believes that selecting portions of its analyses and the factors considered or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying BofA Merrill Lynch's analyses and opinion. The fact that any specific analysis has been referred to in the summary above is not

meant to indicate that such analysis was given greater weight than any other analysis referred to in the summary.

In performing its analyses, BofA Merrill Lynch considered industry performance, general business and economic conditions and other matters, many of which are beyond the control of MoneyGram. The estimates of the future performance of MoneyGram in or underlying BofA Merrill Lynch's analyses are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than those estimates or those suggested by BofA Merrill Lynch's analyses. These analyses were prepared solely as part of BofA Merrill Lynch's analysis of the fairness, from a financial point of view, of the merger consideration and

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were provided to our board of directors in connection with the delivery of BofA Merrill Lynch's opinion. The analyses do not purport to be appraisals or to reflect the prices at which a company might actually be sold or acquired or the prices at which any securities have traded or may trade at any time in the future. Accordingly, the estimates used in, and the ranges of valuations resulting from, any particular analysis described above are inherently subject to substantial uncertainty and should not be taken to be BofA Merrill Lynch's view of the actual value of MoneyGram.

The type and amount of consideration payable in the merger was determined through negotiations between MoneyGram and Alipay, rather than by any financial advisor, and was approved by our board of directors. The decision to enter into the merger agreement was solely that of our board of directors. As described above, BofA Merrill Lynch's opinion and analyses were only one of many factors considered by our board of directors in its evaluation of the merger and should not be viewed as determinative of the views of our board of directors, management or any other party with respect to the merger or the merger consideration.

MoneyGram has agreed to pay BofA Merrill Lynch for its services in connection with the merger an aggregate fee currently estimated to be approximately \$14 million, \$1 million of which was payable upon the delivery of BofA Merrill Lynch's opinion and approximately \$13 million of which is contingent upon the consummation of the merger. MoneyGram also has agreed to reimburse BofA Merrill Lynch for its expenses, including fees and expenses of its legal counsel, incurred in connection with BofA Merrill Lynch's engagement and to indemnify BofA Merrill Lynch, any controlling person of BofA Merrill Lynch and each of their respective directors, officers, employees, agents and affiliates against specified liabilities, including liabilities under the federal securities laws. Pursuant to its engagement letter with MoneyGram, BofA Merrill Lynch would be entitled to a transaction fee from MoneyGram in connection with any merger or similar acquisition transaction, irrespective of the identity of the acquirer. Such fee would generally be higher for a transaction that provides for greater merger consideration.

BofA Merrill Lynch and its affiliates comprise a full service securities firm and commercial bank engaged in securities, commodities and derivatives trading, foreign exchange and other brokerage activities, and principal investing as well as providing investment, corporate and private banking, asset and investment management, financing and financial advisory services and other commercial services and products to a wide range of companies, governments and individuals. In the ordinary course of their businesses, BofA Merrill Lynch and its affiliates may invest on a principal basis or on behalf of customers or manage funds that invest, make or hold long or short positions, finance positions or trade or otherwise effect transactions in equity, debt or other securities or financial instruments (including derivatives, bank loans or other obligations) of MoneyGram, Alipay and certain of their respective affiliates.

BofA Merrill Lynch and its affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, commercial banking and other financial services to MoneyGram and certain of its affiliates and have received or in the future may receive compensation for the rendering of these services, including (i) having acted or acting as administrative agent, bookrunner, co-lead arranger for, and as a lender (including a swing line lender and a letter of credit lender) under, certain credit facilities and/or agreements of MoneyGram, and (ii) having provided or providing certain foreign exchange, treasury and trade management services and products to MoneyGram. From January 1, 2015 through December 31, 2016, BofA Merrill Lynch and its affiliates derived aggregate revenues from MoneyGram and its affiliates of approximately \$12 million for investment and corporate banking services.

In addition, BofA Merrill Lynch and its affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, commercial banking and other financial services to Thomas H. Lee Partners, L.P., an affiliate of MoneyGram (TH Lee) and certain of its affiliates and portfolio companies, and have received or in the future may receive compensation for the rendering of these services, including (i) having acted or acting as financial advisor to TH Lee and/or certain of its affiliates and portfolio companies in connection with certain mergers and

acquisition transactions, (ii) having acted or acting as administrative agent,

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collateral agent, arranger, bookrunner and/or lender for TH Lee and certain of its affiliates and portfolio companies in connection with the financing for various acquisition transactions, (iii) having acted or acting as underwriter, initial purchaser and placement agent for various equity and debt offerings undertaken by TH Lee and/or certain of its affiliates and portfolio companies and (iv) having provided or providing certain treasury and trade services and products to TH Lee and/or certain of its affiliates and portfolio companies. From January 1, 2015 through December 31, 2016, BofA Merrill Lynch and its affiliates derived aggregate revenues from TH Lee and its affiliates and portfolio companies of approximately \$125 million for investment and corporate banking services.

In addition, BofA Merrill Lynch and its affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, commercial banking and other financial services to Alipay, Alibaba Group Holding Ltd., and certain of their respective affiliates and have received or in the future may receive compensation for the rendering of these services, including having acted or acting as a lender to Alibaba Group Holding Ltd. and certain of its affiliates under various credit, leasing and/or other facilities. BofA Merrill Lynch has advised us that from January 1, 2015 through December 31, 2016, it and its affiliates derived aggregate revenues from Alipay, Alibaba Group Holding Ltd. and certain of their respective affiliates of approximately \$3 million for investment and corporate banking services.

Unaudited Financial Projections of MoneyGram

MoneyGram does not usually make public detailed projections as to earnings or other results, due to, among other reasons, the unpredictability of the underlying assumptions and estimates inherent in preparing financial projections. However, the senior management of MoneyGram regularly prepares, for internal purposes, prospective financial information in connection with its ordinary course strategic planning and, in connection with the evaluation of a possible transaction, prospective financial information regarding MoneyGram's future performance on a standalone basis for the years 2017 through 2020 (the MoneyGram Unaudited Financial Projections), was provided to our board of directors and BofA Merrill Lynch, as the financial advisor to MoneyGram, to assist in evaluating MoneyGram's operations and prospects and the merger. In addition, the MoneyGram Unaudited Financial Projections were provided to Ant Financial and Citigroup, as the financial advisor to Alipay, in connection with its evaluation of MoneyGram and its analysis of the merger. The MoneyGram Unaudited Financial Projections were prepared as of December 2, 2016, and subsequently updated on December 7, 2016. It was first provided to our board of directors on December 15, 2016, to BofA Merrill Lynch on December 3, 2016 and on December 9, 2016 to Ant Financial. The MoneyGram Unaudited Financial Projections has not been subsequently updated.

The MoneyGram Unaudited Financial Projections were not prepared with a view toward public disclosure or with a view toward complying with GAAP, the guidelines of the SEC with respect to prospective financial information or the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information. In the view of MoneyGram's management, this information was, based on certain growth assumptions, prepared on a reasonable basis, reflected the best available estimates and judgments at the time of its preparation, and presented, to the best of MoneyGram's management's knowledge and belief, the expected course of action and the expected future financial performance of MoneyGram on a standalone basis at the time of its preparation. However, this information is not fact and should not be relied upon as being indicative of future results and you are cautioned not to rely on the MoneyGram Unaudited Financial Projections. The MoneyGram Unaudited Financial Projections do not reflect any impact of the merger and do not take into account the potential consequences should the merger fail to be consummated, and should not be viewed as accurate or continuing in those contexts.

Neither MoneyGram's independent auditors, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no

responsibility for the prospective financial information. The reports of the independent registered

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public accounting firms incorporated by reference into this proxy statement relate to the historical financial information of MoneyGram. The reports do not extend to the unaudited financial projections and should not be read to do so.

In developing the MoneyGram Unaudited Financial Projections, MoneyGram's management made numerous material assumptions with respect to MoneyGram for the periods covered by the projections, including, but not limited to, the following:

the revenues, operating expenses and margins from existing business activities;

assumptions with respect to organic growth projects and other capital investments, such as our investments to enhance compliance, and the amounts and timing of capital expenditures and earnings before interest, tax, depreciation and amortization (EBITDA), if any, associated with such projects;

the availability and cost of debt and equity;

assumptions relating to the demand for our services;

assumptions relating to the taxes we will incur in the various jurisdictions in which we operate; and

other general business, market, regulatory and financial assumptions.

All of these assumptions involve variables making them difficult to predict, and most are beyond the control of MoneyGram. Although MoneyGram's management believes that there was a reasonable basis for the underlying assumptions related to the MoneyGram Unaudited Financial Projections, any assumptions for near-term and long-term projected cases remain uncertain, and the risk of inaccuracy increases with the length of the forecasted period.

	Year Ending December 31,			
	2017E	2018E	2019E	2020E
	(\$ in millions)			
Revenue	\$ 1,598.9	\$ 1,725.0	\$ 1,875.5	\$ 2,025.6
Net income	\$ 41.8	\$ 94.4	\$ 118.9	\$ 146.1
Adjusted EBITDA(1)	\$ 285.7	\$ 312.7	\$ 343.3	\$ 378.1

- (1) Adjusted EBITDA for purposes of this table means earnings before interest expense, tax, depreciation and amortization, plus special charges and other one-time items, stock-based compensation and amortization of intangibles. Amortization costs of signing bonus payments for MoneyGram, which was used by BofA Merrill Lynch in calculating Adjusted EBITDA (Burdened) as described above in The Merger Opinion of MoneyGram's Financial Advisor Regarding the Merger Consideration, were projected by management of MoneyGram to be

\$54.6 million, \$52.0 million, \$52.3 million and \$48.8 million for the years 2017, 2018, 2019 and 2020, respectively. Adjusted EBITDA is a non-GAAP financial measure and should not be considered as an alternative to operating income or net income as a measure of operating performance or cash flows or as a measure of liquidity. Adjusted EBITDA does not include the impact of any potential synergies or costs related to the merger. The estimates and assumptions underlying the MoneyGram Unaudited Financial Projections are inherently uncertain and, though considered reasonable by the management of MoneyGram as of the date of the preparation of such projections, are subject to a wide variety of significant business, economic, regulatory and competitive risks and uncertainties that are outside of the control of MoneyGram and could cause actual results to differ materially from those contained in the MoneyGram Unaudited Financial Projections, including, among other things, the matters described in the section entitled Cautionary Note Regarding Forward-Looking Statements. Accordingly, there can be no assurance that the projections are indicative of the future performance of MoneyGram, or that actual results will not differ materially from the presented in the MoneyGram Unaudited Financial Projections. Inclusion of the MoneyGram Unaudited Financial Projections in this proxy statement

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should not be regarded as a representation by any person that the results contained in the MoneyGram Unaudited Financial Projections will be achieved. **In light of the foregoing factors and the uncertainties inherent in the MoneyGram Unaudited Financial Projections, MoneyGram stockholders are cautioned not to place undue, if any, reliance on the MoneyGram Unaudited Financial Projections.**

The inclusion of the MoneyGram Unaudited Financial Projections in this proxy statement should not be regarded as an indication such projections are material information of MoneyGram or predictive of actual future results nor should it be construed as financial guidance, and it should not be relied upon as such. The MoneyGram Unaudited Financial Projections are not included in this proxy statement in order to induce any MoneyGram stockholder to vote in favor of any of the proposals at the special meeting, but have been included solely because the MoneyGram Unaudited Financial Projections were made available by management of MoneyGram to our board of directors, BofA Merrill Lynch, Ant Financial and Citigroup and the MoneyGram Unaudited Financial Projections were used by BofA Merrill Lynch in connection with the rendering of its fairness opinion to our board of directors and performing its related financial analyses, as described in the section entitled *The Merger Opinion of MoneyGram's Financial Advisor Regarding the Merger Consideration*. MoneyGram has made no representation to Ant Financial, Alipay, Merger Sub or Guarantor, in the merger agreement or otherwise, concerning the MoneyGram Unaudited Financial Projections.

WE DO NOT INTEND TO REVISE THE MONEYGRAM UNAUDITED FINANCIAL PROJECTIONS TO REFLECT CIRCUMSTANCES EXISTING AFTER THE DATE WHEN MADE OR TO REFLECT THE OCCURRENCE OF FUTURE EVENTS, EVEN IN THE EVENT THAT ANY OR ALL OF THE ASSUMPTIONS UNDERLYING THE MONEYGRAM UNAUDITED FINANCIAL PROJECTIONS ARE NO LONGER APPROPRIATE.

Interests of MoneyGram's Executive Officers and Directors in the Merger

In considering the recommendation of our board of directors with respect to the merger agreement and the merger, you should be aware that our executive officers and directors have interests in the merger described below that may be different from, or in addition to, the interests of our stockholders generally. Our board of directors was aware of and considered these interests, among other matters, in making its determinations and recommendations in connection with the merger agreement and the transactions contemplated thereby. You should consider the interests of our directors and executive officers that are described in this proxy statement.

Consideration Payable for Shares Held Pursuant to the Merger Agreement

The executive officers and directors of MoneyGram who hold Common Stock at the closing of the merger will be eligible to receive the same merger consideration as the other MoneyGram stockholders with respect to each outstanding share of Common Stock held. In addition, in connection with the execution of the merger agreement, THL and certain directors and executive officers of MoneyGram, who collectively hold approximately 46% of the outstanding Common Stock entered into voting and support agreements with Alipay and MoneyGram, where THL and each of such directors and officers agreed to, among other things, vote all of the Common Stock owned by such person (a) in favor of the approval and adoption of the merger agreement and (b) against (i) any Company acquisition proposal, or any other proposal made in opposition to, in competition with, or inconsistent with the merger agreement, the merger or the transactions contemplated by the merger agreement and (ii) any other action, agreement or proposal that could reasonably be expected to delay, postpone or adversely affect the consummation of the merger. See the section entitled *The Voting and Support Agreements*. The executive officers and directors of MoneyGram held, in the aggregate, 25,087,039 shares of Common Stock (or approximately 46.5% of all outstanding Common Stock) as of the record date, excluding shares issuable upon exercise of MoneyGram Options or subject to outstanding MoneyGram RSUs, which are discussed below.

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The table below sets forth the number of shares held by the executive officers and directors of MoneyGram as of the record date, excluding MoneyGram Options and MoneyGram RSUs, and the value (at \$13.25 per share) they would receive for those shares upon consummation of the merger.

Our executive officers and directors may continue to engage in transactions involving shares of Common Stock prior to the effective time of the merger.

Name	Number of Shares Owned	Consideration for Shares Owned (\$)
<i>Non-Employee Directors</i>		
J. Coley Clark	39,288	\$ 520,566
Victor W. Dahir	34,288	\$ 454,316
Antonio O. Garza	28,178	\$ 373,359
Seth W. Lawry(1)	23,737,858	\$ 314,526,619
Peggy Vaughan	27,849	\$ 368,999
Michael P. Rafferty	6,500	\$ 86,125
Ganesh Rao(1)	23,737,858	\$ 314,526,619
W. Bruce Turner	76,329	\$ 1,011,359
<i>Executive Officers</i>		
Pamela H. Patsley	479,671	\$ 6,355,641
W. Alexander Holmes	158,643	\$ 2,102,020
Juan Agualimpia	98,086	\$ 1,299,640
Lawrence Angelilli	34,486	\$ 456,940
Kamila K. Chytil	9,227	\$ 122,258
Laura Gardiner	7,396	\$ 97,997
F. Aaron Henry	103,337	\$ 1,369,215
Grant A. Lines	107,555	\$ 1,425,104
Wayne F. McGurk	30,365	\$ 402,336
Peter E. Ohser	98,712	\$ 1,307,934
John D. Stoneham		\$
Andres Villareal	9,271	\$ 122,841

- (1) Mr. Lawry and Mr. Rao are board representatives of THL. The total shares listed as owned by each of them consists of the 23,737,858 shares of Common Stock held by the funds affiliated with THL. Mr. Lawry and Mr. Rao each disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein. Please see footnote (3) on page 110 for more information regarding such shares of Common Stock.

Treatment of Outstanding Equity and Long-Term Incentive Awards

Under the merger agreement, outstanding MoneyGram Options and MoneyGram RSUs granted under MoneyGram's equity plans held by all award holders, including MoneyGram's executive officers and directors, will be converted into cash or cash-settled long-term incentive awards, respectively.

Stock Options. As described in The Merger Agreement Treatment of Equity Awards, unless otherwise agreed to in writing with the holder, each outstanding MoneyGram Option, whether vested or unvested, granted under the 2005 Omnibus Incentive Plan will be converted into a cash payment (subject to any applicable withholding taxes) equal to the product of (x) the excess, if any, of the merger consideration over the applicable exercise price of such MoneyGram Option and (y) the number (determined without reference to vesting requirements or other limitations on exercisability) of shares of Common Stock issuable upon exercise of such MoneyGram Option.

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The merger consideration is equal to \$13.25 per share of Common Stock. Any MoneyGram Option with an exercise price equal to or greater than the merger consideration will be cancelled without consideration. As of the record date, Ms. Patsley was the only executive officer who held MoneyGram Options that have exercise prices less than \$13.25, and she held the following numbers of outstanding MoneyGram Options (other than MoneyGram Options that have exercise prices equal to or greater than \$13.25):

Name	Vested Options		Accelerated Options			Total Option Cash Spread Value
	Number of Vested Stock Options	Exercise Price Per Share	Cash Spread Value of Vested Stock Options	Unvested Options	Exercise Price Per Share	
Pamela H. Patsley	415,625	\$ 12.00	\$ 519,531			\$ 519,531
	93,750	\$ 12.72	\$ 49,688			\$ 49,688

Restricted Stock Units. As described in The Merger Agreement Treatment of Equity Awards, each outstanding MoneyGram RSU, whether subject to performance-based vesting requirements or time-based vesting requirements, unless otherwise agreed in writing with the holder, will be converted into a cash-settled long-term incentive award, representing a right to receive an amount of cash, without interest, equal to the per share merger consideration multiplied by the number of shares of Common Stock subject to the MoneyGram RSU, on the same vesting terms and conditions applicable to such MoneyGram RSU (each, a converted award).

As of the record date, MoneyGram's executive officers held the following numbers of outstanding MoneyGram RSUs (expressed in shares of Common Stock):

Name	Aggregate Number of Shares Subject to Restricted Stock Units(1)	Total Cash Value of Converted Awards
Pamela H. Patsley	483,148	\$ 6,401,711
W. Alexander Holmes	446,468	\$ 5,915,701
Juan Agualimpia	154,507	\$ 2,047,218
Lawrence Angelilli	120,074	\$ 1,590,981
Kamila K. Chytil	94,787	\$ 1,255,928
Laura Gardiner	17,656	\$ 233,942
F. Aaron Henry	158,453	\$ 2,099,502
Grant A. Lines	142,222	\$ 1,884,442
Wayne F. McGurk	115,665	\$ 1,532,561
Peter E. Ohser	156,705	\$ 2,076,341
John D. Stoneham	15,391	\$ 203,931
Andres Villareal	89,653	\$ 1,187,902

(1) Reflects 2017 performance-based MoneyGram RSUs at the target level.

The converted awards will remain subject to the same vesting terms and conditions following the effective time of the merger that apply to outstanding MoneyGram RSUs, including the provisions regarding acceleration in connection with specified terminations of employment, as described below.

Performance Cash Awards. In addition, outstanding long-term performance-based cash awards (performance cash awards) granted to executive officers in 2016 and 2017 will continue following the effective time of the merger, subject to their existing terms and conditions. Please see Footnote 1 to the Golden Parachute Compensation table in the section entitled The Merger Interests of MoneyGram s Executive Officers and Directors in the Merger Information for Advisory Vote on Merger-Related Compensation for our Named Executive Officers below for a description of the unvested performance cash awards held by our named executive officers.

Accelerated Vesting of Restricted Stock Units and Performance Cash Awards. None of the MoneyGram RSUs or performance cash awards provide for accelerated vesting solely upon a change in control transaction

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such as the merger, and the merger agreement does not provide for accelerated vesting of any MoneyGram RSUs or performance cash awards.

Generally, MoneyGram RSUs and performance cash awards are subject to service-based vesting conditions that lapse on the first three annual anniversaries of the original dates of grant of the awards. In addition, performance cash awards and performance-based MoneyGram RSUs granted in February 2017 are subject to the satisfaction of specified performance conditions for fiscal year 2017, which determine the extent to which such awards may vest. Those performance conditions may be adjusted to take into account certain impacts of the proposed merger. Pursuant to the terms of the award agreements governing the MoneyGram RSUs and the performance cash awards, the vesting of such awards accelerates in full (at target level, in the case of awards subject to performance conditions) if an executive officer's employment is terminated without cause or for good reason within 12 months following a change in control such as the merger (as such terms are defined in the applicable award agreements). See the section entitled "The Merger Interests of MoneyGram's Executive Officers and Directors in the Merger Severance Arrangements" below for additional accelerated vesting provisions applicable to certain executive officers.

Non-Employee Director Equity Awards

Our non-employee directors, except for Messrs. Lawry and Rao, also hold outstanding MoneyGram RSUs as of the date of this proxy statement. Generally, MoneyGram RSUs granted to our non-employee directors are awarded on the date of MoneyGram's annual meeting and vest and are settled one year from the date of grant, subject to continued service. MoneyGram RSUs granted at the 2016 annual meeting to each of our non-employee directors with a value of \$100,000 on the grant date will vest on May 11, 2017, which is anticipated to be prior to the effective time of the merger. Vesting is accelerated if the director dies, becomes disabled, or a change in control (as defined by the 2005 Omnibus Plan) occurs.

At the 2017 annual meeting, each of our non-employee directors, other than Messrs. Lawry and Rao, will receive a grant of MoneyGram RSUs with a value equal to \$125,000 on the date of grant, which will vest one year from the date of grant, subject to accelerated vesting upon the effective time of the merger as described above.

For 2016, MoneyGram implemented a deferral right whereby directors could elect to defer the settlement date of their RSU awards, and non-employee directors who elected deferred settlement will receive payment with respect to their 2016 and 2017 MoneyGram RSUs following their separation from service on our board of directors. Under the merger agreement, we agreed to use reasonable best efforts to secure the resignation of our directors as of the effective time of the merger.

Compensation and Benefits Arrangements Post-Closing

Under the merger agreement, Alipay has agreed to provide, or cause to be provided to all MoneyGram employees, including executive officers, during the Benefit Continuation Period (as defined below), the following:

(i) compensation and benefits that are no less favorable, in the aggregate, to those provided immediately prior to the merger (excluding equity, equity-based and long-term incentive compensation and defined benefit pension plan benefits), and (ii) severance payments and benefits as provided under the MoneyGram International, Inc. Severance Plan (the "Severance Plan") to employees eligible for severance benefits under the Severance Plan who experience a qualifying termination during the Benefit Continuation Period. For purposes of the above employee benefit arrangements, "Benefit Continuation Period" means the period of time from the effective time of the merger until the first anniversary of the effective time of the merger.

With regard to employee welfare and retirement plan benefits, service with MoneyGram or any subsidiary shall be treated as service with Alipay to the same extent recognized under a comparable plan of MoneyGram for purposes of determining eligibility to participate, vesting, entitlement to benefits and vacation entitlement (but

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not for accrual of benefits under any defined benefit pension or post-retirement welfare plan), satisfaction of any waiting periods, evidence of insurability requirements, or application of pre-existing condition limitations, as applicable. Further, all employees, including executive officers, will be given credit for any amounts paid under any corresponding MoneyGram plan during the same period for purposes of applying deductibles, co-payments, and out-of-pocket maximums.

Performance Bonus Plan

For fiscal year 2017, MoneyGram granted annual cash bonus awards under the Performance Bonus Plan to employees, including to each executive officer of MoneyGram, in the ordinary course of business consistent with past practice, subject to annual incentive targets and performance goals agreed to in connection with the negotiation of the merger. Those performance goals may be adjusted to take into account certain impacts of the proposed merger.

Severance Arrangements

MoneyGram maintains severance benefits for all of its employees, the intended benefits of which are to provide financial protection in the event of a qualifying termination of employment event. Each of the executive officers, other than Ms. Patsley and Mr. Holmes whose severance provisions are included in their employment agreements and Mr. Stoneham who participates in the Severance Plan, have entered into an individual severance agreement with MoneyGram.

Employment Agreement with Mr. Holmes. Under Mr. Holmes' employment agreement, upon termination of his employment without cause by MoneyGram or by him for good reason (both as defined by the employment agreement), Mr. Holmes will receive the following benefits: (i) two times base salary at the time of termination and target bonus, payable in equal installments over a two-year period following termination; (ii) if performance goals are satisfied and bonuses paid, a pro rata portion of any bonus under the Performance Bonus Plan for the year of termination, payable on the date that such bonuses are payable to other employees; (iii) continuation of health and life insurance coverage until the earlier of (1) two years following termination or (2) he becomes eligible for comparable coverage from a subsequent employer; (iv) for equity or equity-based awards subject to performance vesting, a pro rata portion of such awards will remain outstanding and eligible to vest subject to achievement of the applicable performance objectives; (v) for time-based vesting equity awards, vesting of the next installment of such awards upon termination; (vi) vested options remain exercisable until the earlier of the ten-year term or the later to occur of June 30, 2019 and the six-month anniversary of termination; and (vii) all other accrued or vested benefits. Under Mr. Holmes' employment agreement, he is subject to certain restrictive covenants, including an indefinite confidentiality covenant, a two-year post-termination employee and customer non-solicitation covenant, a two-year post-termination non-competition covenant and an indefinite non-disparagement covenant. Violation of the restrictive covenants contained in Mr. Holmes' employment agreement entitles MoneyGram to complete relief, including injunctive relief. Further, in the event of a breach of the restrictive covenants, Mr. Holmes could be terminated for cause (provided the breach has a material adverse effect on MoneyGram). The agreements do not prohibit the waiver of a breach of these covenants. No enhanced benefits are provided due to severance in connection with a change in control.

Employment Agreement with Ms. Patsley. Under Ms. Patsley's employment agreement, upon termination of her employment without cause by MoneyGram or by her for good reason (both as defined by the employment agreement), Ms. Patsley will receive the following benefits: (i) two times base salary at the time of termination and target bonus, payable in equal installments over a two-year period following termination; (ii) if performance goals are satisfied and bonuses paid, a pro rata portion of any bonus under the Performance Bonus Plan for the year of termination, payable on the date that such bonuses are payable to other employees; (iii) continuation of health and life insurance coverage

until the earlier of (1) two years following termination or (2) she becomes eligible for comparable coverage from a subsequent employer; (iv) for equity or equity-based awards subject to performance vesting, such awards will remain outstanding and eligible to vest subject to

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achievement of the applicable performance objectives; (v) for time-based vesting equity awards, the full amount of such award vests in full upon termination; (vi) vested options remain exercisable until the earlier of the ten-year term or the later to occur of June 30, 2019 and the six-month anniversary of termination; and (vii) all other accrued or vested benefits. Under Ms. Patsley's employment agreement, she is subject to certain restrictive covenants, including an indefinite confidentiality covenant, a two-year post-termination employee and customer non-solicitation covenant, a two-year post-termination non-competition covenant and an indefinite non-disparagement covenant. Violation of the restrictive covenants contained in Ms. Patsley's employment agreement entitles MoneyGram to complete relief, including injunctive relief. Further, in the event of a breach of the restrictive covenants, Ms. Patsley could be terminated for cause (provided the breach has a material adverse effect on MoneyGram). The agreements do not prohibit the waiver of a breach of these covenants. No enhanced benefits are provided due to severance in connection with a change in control.

Severance Agreements. In connection with entry into the merger agreement, the individual severance agreements were amended effective February 22, 2017 to provide the covered officers certain protections in the event of a qualifying termination of employment within the two-year period following the effective time of the merger. Under the previous severance agreements, if the officer was terminated without cause (other than by reason of death or disability), the officer would receive (i) cash severance in an amount equal to one year of the officer's annual base salary, and (ii) provided applicable performance goals were met, a pro rata portion of the officer's annual incentive bonus for the year in which the termination occurs (not to exceed the officer's annual target incentive opportunity), payable in a lump sum when such cash bonuses were regularly paid. The amended agreements provide the above benefits and full vesting of any outstanding restricted stock unit awards or performance cash awards (including MoneyGram RSUs, as converted into converted awards, and performance cash awards) held by the executive on the date of termination if the officer is terminated without cause (other than by reason of death or disability) or if the officer terminates for good reason (as such terms are defined by the severance agreement) within the 24-month period commencing on and immediately following the effective time of the merger. The covered officers are also subject to certain restrictive covenants set forth in employee trade secret, confidential information and post-employment restriction agreements. Under these agreements, covered officers are subject to certain restrictive covenants, including an indefinite confidentiality covenant, a one-year post-termination employee and customer non-solicitation covenant, a one-year post-termination non-competition covenant and an indefinite non-disparagement covenant. Violation of the restrictive covenants contained in the employee trade secret, confidential information and post-employment restriction agreements entitles MoneyGram to complete relief, including injunctive relief. Further, in the event of a breach of the restrictive covenants, covered officers could be subject to certain forfeiture and repayment provisions relating to certain awards provided for and in consideration of the agreements. The agreements do not prohibit the waiver of a breach of these covenants.

Severance Plan. Mr. Stoneham is a participant in the Severance Plan. Under the Severance Plan, an employee who is involuntarily terminated as part of a reduction in force, reorganization, job elimination or job relocation of more than 50 miles is entitled to severance benefits. Severance benefits will be equal to one week of salary for each year of service, subject to the minimum and maximum weeks based on classification of employment. As of February 27, 2017, Mr. Stoneham is entitled to 16 weeks of salary. Severance will be paid in a lump sum upon expiration of the rescission or revocation period specified in the officer's separation and release agreement. If the employee participates in an annual bonus plan for a fiscal year and is terminated on or after October 1 of that fiscal year but prior to the time bonuses are paid, the employee will be eligible to receive the bonus that he or she would have earned for that fiscal year (if any) had he or she remained in employment until the date of payment, except that such bonus shall be prorated based upon the number of days the employee was employed during the fiscal year if employed for less than the full fiscal year. Any such bonus is payable at the time annual bonuses are paid to the other participants in such plan.

Retention Awards

Mr. Stoneham is also entitled to a retention award equal to 12 weeks base salary with 50% of such award payable one month after the effective time of the merger and 50% payable six months after the effective time of

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the merger, subject to his continued employment. However, 100% of the award is payable upon his termination without cause or for good reason (both terms defined consistent with the definitions used for purposes of MoneyGram RSUs).

Information for Advisory Vote on Merger-Related Compensation for Our Named Executive Officers

The information set forth below is intended to comply with Item 402(t) of Regulation S-K regarding compensation that is based on or otherwise relates to the merger that our named executive officers could receive in connection with the merger. The information being reported with respect to our named executive officers describes the payments and benefits that would be payable under Ms. Patsley's and Mr. Holmes's employment agreements, our other named executive officers' individual severance agreements and the existing award agreements governing MoneyGram RSUs, MoneyGram Options and performance cash awards, each as described above. The amounts in the table below were calculated using the following assumptions: (i) the consummation of the merger occurred on the record date; (ii) the applicable price per share of Common Stock is \$13.25, which is equal to the merger consideration; (iii) the merger would constitute a change of control for purposes of Ms. Patsley's and Mr. Holmes's employment agreements, our other named executive officers' individual severance agreements and the applicable award agreements; (iv) unless otherwise stated below, the employment of each named executive officer has been terminated by MoneyGram without cause or by each executive for good reason (each, a qualifying termination) immediately following the consummation of the merger; (v) each named executive officer has properly executed a release of claims against us and each of Alipay and its affiliates and complied with any restrictive covenants applicable to such named executive officer; and (vi) certain other assumptions as specified in the footnotes to the table below have been made. Values shown below do not take into account any increase in compensation that may occur following the date of this filing or following the merger. Some of the assumptions used in the table below are based upon information not currently available and, as a result, the actual amounts to be received by our named executive officers may differ from the amounts set forth below. Except for payments made in connection with MoneyGram Options, which are single trigger payments, all payments quantified in the table below are double trigger payments.

Name	Golden Parachute Compensation			Total (\$)
	Cash (\$)(1)	Equity (\$)(2)	Perquisites/ Benefits \$(3)	
Pamela H. Patsley	\$ 3,759,440	\$ 6,970,930	\$ 30,624	\$ 10,760,994
W. Alexander Holmes	\$ 4,560,071	\$ 5,915,701	\$ 44,724	\$ 10,520,496
Lawrence Angelilli	\$ 901,011	\$ 1,590,981	\$	\$ 2,491,992
F. Aaron Henry	\$ 928,811	\$ 2,099,502	\$	\$ 3,028,313
Steven Piano(4)	\$ 928,811	\$ 1,384,771	\$	\$ 2,313,582
Peter E. Ohser	\$ 928,811	\$ 2,076,341	\$	\$ 3,005,152

- (1) The amounts in this column reflect the aggregate value of cash severance payments that would become payable to Ms. Patsley and Mr. Holmes under their respective employment agreements and to our other named executive officers under their individual severance agreements. Payments under Ms. Patsley's and Mr. Holmes's respective employment agreements consist of (a) an amount equal to two times the sum of their (i) base salary at the time of termination and (ii) target bonus opportunity, payable in equal installments over the two-year period following termination of employment, and (b) a prorated annual incentive bonus (based on the period between the beginning of the applicable performance period and the date of termination of such named executive officer's employment, which is assumed to be the record date) in an amount determined based on actual performance with

respect to the year in which the termination of employment occurs, payable in a lump sum on the date on which such cash bonuses are normally paid (calculated assuming target performance is attained). With respect to Messrs. Angelilli, Henry, Ohser and Piano, their individual severance agreements provide for (a) cash severance payments in an amount equal to 12 months of such named executive officer's annual base salary then in effect, payable in equal monthly installments, and (b) a prorated annual incentive bonus (based on the period between the beginning of the applicable

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performance period and the date of termination of such named executive officer's employment, which is assumed to be the record date) in an amount determined based on actual performance with respect to the year in which the termination of employment occurs but not to exceed the executive's annual target incentive opportunity, payable in a lump sum on the date on which such cash bonuses are normally paid (calculated assuming target performance is attained). In addition, the amounts in this column reflect accelerated vesting of outstanding performance cash awards at 100% of the applicable target level, for 2017 awards, and of all remaining unvested installment payments for 2016 performance cash awards, upon a qualifying termination under the severance agreements or, for Ms. Patsley and Mr. Holmes, under the applicable award agreements. The aggregate payments included in this column are comprised of the following:

Name	Cash Severance	Pro-Rata Bonus	Performance cash awards
Pamela H. Patsley	\$ 2,600,000	\$ 172,740	\$ 986,700
W. Alexander Holmes	\$ 2,900,000	\$ 192,671	\$ 1,467,400
Lawrence Angelilli	\$ 400,000	\$ 74,411	\$ 426,600
F. Aaron Henry	\$ 400,000	\$ 74,411	\$ 455,400
Steven Piano	\$ 400,000	\$ 74,411	\$ 455,400
Peter E. Ohser	\$ 400,000	\$ 74,411	\$ 455,400

Each of the named executive officers is subject to certain trade secret, confidentiality and post-employment restriction provisions, pursuant to which the named executive officers have agreed to confidentiality and non-disparagement obligations that extend indefinitely. In addition, each named executive officer has agreed to non-competition provisions with respect to certain competing businesses and non-solicitation restrictions with respect to employees and customer relationships for defined periods of time. See the section entitled "The Merger Interests of MoneyGram's Executive Officers and Directors in the Merger Severance Arrangements" for more information regarding such provisions.

- (2) The amounts in this column reflect (i) the number of unvested time-based MoneyGram RSUs that each of our named executive officers holds as of the record date multiplied by the merger consideration, and (ii) the number of unvested performance-based MoneyGram RSUs that each of our named executive officers holds as of the record date multiplied by the merger consideration, in each case, which such unvested equity awards (as converted into converted awards, if applicable, as of the effective time of the merger) would be accelerated in accordance with the severance agreements or, for Ms. Patsley and Mr. Holmes, under the applicable award agreements upon a qualifying termination. For performance-based MoneyGram RSUs granted in 2017, the amount included is reflected at 100% of the applicable target level. In addition, with respect to Ms. Patsley, the amount indicated includes an amount equal to the sum of the product, for each MoneyGram Option that Ms. Patsley holds as of the record date, of (x) the excess, if any of the merger consideration (\$13.25) over the applicable exercise price of such MoneyGram Option and (y) the number (determined without reference to vesting requirements or other limitations on exercisability) of shares of Common Stock issuable upon exercise of such MoneyGram Option.

The MoneyGram RSUs reported under this column consist of the grants made to our named executive officers on each of February 25, 2015, February 23, 2016 and February 22, 2017, that each of our named executive officers holds as of the date hereof that are anticipated to become converted awards at the effective time of the merger as described above, in the following amounts:

Name	Time-Based RSUs	Performance-Based RSUs
Pamela H. Patsley	312,569	170,579
W. Alexander Holmes	328,681	117,787
Lawrence Angelilli	89,773	30,301
F. Aaron Henry	111,961	46,492
Steven Piano	76,145	28,366
Peter E. Ohser	111,086	45,619

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The MoneyGram Options reported under this column consist of the number of MoneyGram Options covering shares of our Common Stock that Ms. Patsley holds as of the date hereof, specifically 509,375 options, or an amount equal to \$569,219. The payments with respect to the MoneyGram Options are the only single trigger payments included in this table; however, all of Ms. Patsley's MoneyGram Options with an exercise price of less than \$13.25 are currently fully vested and will be cashed out in connection with the closing of the merger.

- (3) Amounts in this column reflect the estimated value of continuation of health and life insurance coverage for two years following the date of termination (the maximum amount as provided under Ms. Patsley's and Mr. Holmes's employment agreements), which coverage will continue until the earlier of the end of the two-year period following the officer's termination date or the date Ms. Patsley or Mr. Holmes, as applicable, becomes eligible to receive comparable health and life insurance coverage from a subsequent employer. The aggregate payments included in this column are comprised of the following:

Name	Life, Accidental Death and		Medical, Dental and Vision*
	Dismemberment		
Pamela H. Patsley	\$	1,872	\$ 28,752
W. Alexander Holmes	\$	2,088	\$ 42,636

* Vision coverage is only provided with respect to Mr. Holmes.

- (4) Mr. Piano's employment with MoneyGram ended on March 31, 2017.

Interests of THL and Goldman Sachs

MoneyGram, THL and affiliates of Goldman Sachs (together, the Investors) entered into an amended and restated purchase agreement, dated as of March 17, 2008 (the Purchase Agreement), in which the Investors were provided with certain rights with respect to representation on our board of directors and committees of our board of directors. Under the Purchase Agreement, THL may designate two to four directors to our board of directors who each have equal votes and who are to have such aggregate number of votes equal to the number of directors as is proportionate to the Investors' common stock ownership (on an as-converted basis). Therefore, each director designated by THL has multiple votes and each other director has one vote. As of the record date, the designated representatives of THL on our board of directors are Seth W. Lawry and Ganesh B. Rao, who collectively hold a majority of the voting power of our board of directors. The Purchase Agreement also provides for the general attendance by two representatives of the Goldman Sachs to observe at meetings of our board of directors.

THL owns approximately 44.0% of the outstanding Common Stock and, by entering into a voting and support agreement, has agreed to vote all of its shares of Common Stock that it owns in favor of the approval and adoption of the merger agreement. However, in the event our board of directors changes its recommendation with respect to the merger (other than in connection with a third party acquisition proposal) in accordance with the terms of the merger agreement, the number of each stockholder's shares of Common Stock subject to the voting and support agreement shall be reduced, pro rata, such that the aggregate amount of Common Stock subject to all of the voting and support agreements, taken together, equals 35% of the outstanding Common Stock of MoneyGram as of the record date for the special meeting called to approve and adopt the merger agreement. See the section entitled The Voting and Support Agreements. If the merger is consummated, THL would receive \$314,526,618.50 in merger consideration for

its 23,737,858 shares of Common Stock.

In connection with the execution of the merger agreement, Goldman Sachs, as the holder of all of the Series D Preferred Stock delivered an irrevocable written consent to Alipay to the merger and the treatment of the Series D Preferred Stock in the merger agreement. Goldman Sachs owns 71,281.9038 shares, or 100%, of Series D Preferred Stock, which are convertible in 8,910,234 shares of Common Stock. Upon completion of the merger, Goldman Sachs would receive \$118,060,600.50 in merger consideration for its 71,281.9038 shares of Series D Preferred Stock.

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MoneyGram Board of Directors and Management Following the Merger

Pursuant to the terms of the merger agreement, our board of directors will be replaced by the board of directors of Merger Sub, or such other individuals that Alipay may designate prior to the effective time of the merger to serve as directors of the surviving corporation, and will not hold any directorships with Merger Sub or Alipay.

Following the merger, the board of directors designated by Alipay will have the authority to retain or replace the existing executive officers of MoneyGram. It is expected that Mr. Holmes will continue to serve as Chief Executive Officer of MoneyGram, and that MoneyGram will retain its management team.

Indemnification and Insurance

The merger agreement provides that after the effective time of the merger, Alipay will cause the surviving corporation to indemnify and hold harmless, to the fullest extent provided in the certificate of incorporation and bylaws of MoneyGram in effect on the date of the merger agreement and permitted by applicable law, all past and present directors and officers of MoneyGram or any of its subsidiaries, referred to collectively as, the Indemnified Parties, with respect to acts or omissions occurring at or prior to the effective time of the merger. In addition, for six years after the effective time of the merger, Alipay will not permit any amendments to the certificate of incorporation, bylaws or other organizational documents of MoneyGram or its subsidiaries that would adversely affect any right of a person who was or is a director or officer of MoneyGram or its subsidiaries prior to the effective time of the merger with respect to elimination of liability of directors, indemnification of officers, directors and employees and advancement of expenses under MoneyGram's and its subsidiaries' certificate of incorporation, bylaws or other organizational documents in effect as of the date of the merger agreement.

For a period of six years after the effective time of the merger, Alipay is also required to maintain or cause the surviving company to maintain directors' and officers' liability insurance policy (from MoneyGram's current insurance carrier or an insurance carrier with the same or better credit rating, as of the closing date of the merger, as MoneyGram's current insurance carrier) that provides coverage for acts or omissions occurring prior to the effective time of the merger with terms and conditions which are, in the aggregate, not less advantageous to the Indemnified Persons than the terms and conditions of the existing directors' and officers' liability insurance policy of the MoneyGram. However, at Alipay's option, in lieu of the foregoing insurance coverage, Alipay or, with Alipay's consent, MoneyGram may at or prior to the effective time of the merger substitute the insurance coverage for a single premium tail coverage with respect to such insurance that provides coverage for a period of six years after the effective time of the merger, with terms and conditions which are, in the aggregate, not less advantageous to such Indemnified Parties than the terms and conditions of the existing directors' and officers' liability insurance policy of MoneyGram. However, Alipay will not be required to expend, in the aggregate, an amount in excess of 300% of the annual premiums currently paid by MoneyGram for the existing directors' and officers' liability insurance policy of MoneyGram. If Alipay is unable to maintain or obtain the required insurance for an amount equal to or less than such amount, Alipay is required to obtain as much comparable insurance as may be available for such amount.

Regulatory Matters

U.S. Antitrust Approval

Under the HSR Act, we cannot complete the merger until we give notification and furnish information to the Federal Trade Commission and the Antitrust Division of the Department of Justice and until the applicable waiting period expires or is terminated. On February 24, 2017, we and Alipay each filed a premerger notification and report form under the HSR Act. The 30-day waiting period under the HSR Act expired at 11:59 p.m. Eastern Time, on March 27,

2017. The merger is not subject to receipt of any antitrust approvals outside the U.S.

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The merger agreement provides for the parties to file a joint voluntary notice under Section 721 of the Defense Production Act (Section 721). Section 721 provides for national security reviews and, where appropriate, investigations by the Committee on Foreign Investment in the United States (CFIUS) of transactions in which a foreign person or entity acquires control of a U.S. business (a covered transaction). CFIUS review of a covered transaction is subject to an initial 30-day review period that may be extended by CFIUS for an additional 45-day investigation period. During both the initial review period and the investigation period, the review may be terminated and the notice rejected if the parties to the transaction fail to respond promptly to additional questions or requests from CFIUS within the time period specified. If during the review CFIUS or the parties should determine that inadequate time remains to address pending national security concerns, the parties may request that CFIUS permit the parties to withdraw and refile the notice, thereby restarting the review. CFIUS retains discretion to grant or reject such a request. At the close of its review, CFIUS may notify the parties that the transaction has been found not to be a covered transaction under Section 721; may issue a closing letter to the parties stating that there are no unresolved national security concerns, thereby clearing the transaction; may condition clearance on the acceptance of mitigation terms to resolve any national security, critical infrastructure or critical technology concerns with the covered transaction; or may send a report to the President of the United States recommending that the transaction be suspended or prohibited or notifying the President of the United States that CFIUS cannot agree on a recommendation relative to the covered transaction. The President of the United States then has 15 days to decide whether to block the transaction or to take other action. An alternative informal procedure sometimes implemented by CFIUS can occur where, near expiration of the 45-day investigation period, CFIUS advises the parties that if they do not voluntarily withdraw and permanently abandon the transaction, CFIUS will make a negative recommendation to the President. The parties can then choose to comply with the CFIUS abandonment request, thereby avoiding any public reporting of the CFIUS negative determination, or allow the CFIUS negative recommendation to go forward for decision by the President.

Under the terms of the merger agreement, completion of the merger is subject to CFIUS Approval, which will be obtained if one of the following has occurred (i) the 30-day review period under the Defense Production Act has expired and the parties have received notice from CFIUS that such review has been concluded and that either the merger and other transactions contemplated by the merger agreement do not constitute covered transactions under the Defense Production Act or there are no unresolved national security concerns, and all action under the Defense Production Act is concluded with respect to the merger and other transactions contemplated by the merger agreement; (ii) an investigation has commenced after such 30-day review period and CFIUS has determined to conclude all action under the Defense Production Act without sending a report to the President of the United States, and the parties have received notice from CFIUS that there are no unresolved national security concerns, and all action under the Defense Production Act is concluded with respect to the merger and other transactions contemplated by merger agreement; or (iii) CFIUS has sent a report to the President of the United States requesting the President's decision and the President has announced a decision not to take any action to suspend, prohibit or place any limitations on the merger and other transactions contemplated by the merger agreement, or the time permitted by law for such action has lapsed.

Money Transmitter Requirements

MoneyGram holds money transmitter licenses in numerous U.S. and foreign jurisdictions. The money transmission laws and regulations of certain of these jurisdictions require that, prior to the acquisition of control of a licensee, the licensee and/or acquirer must notify the applicable regulatory authority, make certain filings with such regulatory authority, and/or obtain the approval of such regulatory authority. It is a condition to Alipay's and Merger Sub's obligation to complete the merger that all necessary permits, consents and approvals related to the money transmitter licenses be obtained from the applicable regulatory authority in (i) at least 46 U.S. states (including the District of Columbia), provided that, the aggregate revenues from the states where required notices, filings or approvals have not

been received cannot exceed 2.5% of the MoneyGram s

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consolidated revenues for the 12-month period ended September 30, 2016 and (ii) the United Kingdom, India, New Zealand, Switzerland, U.S. Virgin Islands, Mexico and Puerto Rico (the forgoing permits, consents and approvals being the required money transfer permits). MoneyGram and Alipay are in the process of obtaining the required money transfer permits.

Other Regulatory Approvals

Other than as described above, neither MoneyGram nor Alipay is currently aware of any material governmental approvals or actions that are required for completion of the merger. We expect that if any such additional material governmental approvals or actions are required, those approvals or actions will be sought.

General

Under the merger agreement, each of the parties agreed to use reasonable best efforts to complete the merger and to prepare all necessary applications, notices and filings to obtain approval from any governmental entity that is required to be obtained in connection with the merger, including approval from U.S. antitrust authorities and CFIUS. The parties have also agreed to use reasonable best efforts to seek to have lifted or rescinded any injunction which may adversely affect the ability of the parties to complete the merger and to resolve any objection by a governmental entity challenging the merger agreement or the transactions contemplated by the merger agreement. Neither Alipay nor any of its affiliates are required to agree to or take any action that would result in a burdensome condition as defined in the merger agreement and as further described in the section entitled The Merger Agreement Reasonable Best Efforts. In addition, Alipay and its affiliates are not required to sell, hold separate or otherwise dispose of, any assets or business of Alipay or its affiliates, including those of MoneyGram and its subsidiaries following the closing of the merger.

While we expect that all regulatory approvals will be obtained in a timely manner and without the imposition of a burdensome condition, there is no certainty that these approvals will be obtained or obtained within the period of time contemplated by the merger agreement, that any such approvals would not involve the imposition of conditions that may be materially adverse to Alipay, Merger Sub, any of their respective affiliates or the surviving corporation or that other regulatory challenge to the merger will not be made. If a challenge is made, we cannot predict the result. Any conditions with respect to such regulatory approvals could result in the conditions to the completion of the merger not being satisfied.

The approval of any regulatory application or completion of regulatory review merely implies the satisfaction of certain regulatory criteria, which do not include review of the merger from the standpoint of the adequacy of the consideration to be received by our stockholders. Further, regulatory approvals or reviews do not constitute an endorsement or recommendation of the merger.

Appraisal Rights

Under Delaware law, holders of record of shares of our Common Stock are entitled to appraisal rights in connection with the merger, provided, that such holders meet all of the conditions set forth in Section 262 of the DGCL. If the merger is completed, holders of record of shares of our Common Stock who continuously hold shares through the effective time of the merger, who did not vote in favor of the proposal to approve and adopt the merger agreement and who otherwise comply with the applicable statutory procedures under Section 262 of the DGCL will be entitled to appraisal rights in connection with the merger.

Pursuant to Section 262 of the DGCL, if you do not wish to accept the merger consideration provided for in the merger agreement, you have the right to seek appraisal of your shares of our Common Stock and to receive payment

in cash for the fair value of your shares of our Common Stock, exclusive of any element of value arising from the accomplishment or expectation of the merger, as determined by the Delaware Court of Chancery, together with interest, if any, to be paid upon the amount determined to be fair value. The fair value of your

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shares of our Common Stock as determined by the Delaware Court of Chancery may be less than, equal to or more than the \$13.25 per share that you are otherwise entitled to receive under the terms of the merger agreement. These rights are known as appraisal rights. MoneyGram's stockholders who do not vote in favor of the proposal to approve and adopt the merger agreement and who properly demand appraisal for their shares in compliance with the provisions of Section 262 of the DGCL will be entitled to such appraisal rights. Strict compliance with the statutory procedures set forth in Section 262 of the DGCL is required. Failure to follow precisely any of the statutory requirements will result in the loss of your appraisal rights.

This section is intended only as a brief summary of certain provisions of the statutory procedures that a stockholder must follow under the DGCL in order to seek and perfect appraisal rights. This summary, however, is not a complete statement of all applicable requirements and the law pertaining to appraisal rights under the DGCL, and is qualified in its entirety by reference to Section 262 of the DGCL, the full text of which appears in Annex E to this proxy statement. The following summary does not constitute any legal or other advice, nor does it constitute a recommendation that stockholders exercise their appraisal rights under Section 262 of the DGCL.

Under Section 262 of the DGCL, not less than 20 days before the special meeting at which the approval and adoption of the merger agreement is considered, MoneyGram is required to notify each of the holders of our Common Stock who are entitled to appraisal rights that such rights are available for any or all of such shares, and is required to include in such notice a copy of Section 262 of the DGCL. **This proxy statement constitutes a formal notice of appraisal rights under Section 262 of the DGCL in connection with the merger.** Any holder of shares of our Common Stock who wishes to exercise such appraisal rights, or who wishes to preserve such stockholder's right to do so, should review the following discussion and Annex E carefully because failure to timely and properly comply with the procedures specified will result in the loss of appraisal rights under the DGCL. Moreover, because of the complexity of the procedures for exercising the right to seek appraisal of shares of our Common Stock, MoneyGram believes that a stockholder considering the exercise of such rights should seek the advice of legal counsel.

Written Demand by the Record Holder

MoneyGram's stockholders wishing to exercise their appraisal rights must deliver to MoneyGram a written demand for appraisal of their shares before the vote with respect to the approval and adoption of the merger agreement is taken at the special meeting. Written demands must reasonably inform MoneyGram of the identity of the stockholder and the intention of the stockholder to demand appraisal of such stockholder's shares of our Common Stock. Under Section 262 of the DGCL, a proxy or vote against the merger by itself does not constitute a demand for appraisal.

The written demand for appraisal must be executed by or for the record holder of shares, fully and correctly, as such holder's name appears on the stock records of MoneyGram. If the shares are owned of record in a fiduciary capacity, such as by a trustee, guardian or custodian, execution of the demand must be made in that capacity, and if the shares are owned of record by more than one person, such as in a joint tenancy or a tenancy in common, the demand must be executed by or for all joint owners. An authorized agent, including one of two or more joint owners, may execute the demand for appraisal for a stockholder of record. However, the agent must identify the record owner(s) and expressly disclose the fact that, in executing the demand, the agent is acting as agent for the record owner(s).

A beneficial owner of shares of our Common Stock held in street name who wishes to exercise appraisal rights should take such actions as may be necessary to ensure that a timely and proper demand for appraisal is made by the record holder of the shares. If the shares are held through a brokerage firm, bank or other nominee who in turn holds the shares through a central securities depository nominee, a demand for appraisal of such shares must be made by or on behalf of the depository nominee and must identify the depository nominee as the record stockholder. Any beneficial owner who wishes to exercise appraisal rights and holds shares through a nominee holder is responsible for ensuring

that the demand for appraisal is timely made by the record

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stockholder. The beneficial holder of the shares should instruct the nominee holder that the demand for appraisal should be made by the record holder of the shares, which may be a central securities depository nominee if the shares have been so deposited.

All written demands for appraisal should be addressed to MoneyGram's corporate secretary at:

MoneyGram International, Inc.

2828 North Harwood Street, 15th Floor

Dallas, Texas 75201

Attention: Corporate Secretary

Filing a Petition for Appraisal

Within 120 days after the effective time of the merger, the surviving corporation or any MoneyGram stockholder who has complied with Section 262 of the DGCL and is entitled to appraisal rights thereunder, may commence an appraisal proceeding by filing a petition in the Court of Chancery of the State of Delaware, with a copy served on MoneyGram in the case of a petition filed by a stockholder, demanding a determination of the fair value of our Common Stock held by all such stockholders entitled to appraisal. If no such petition is filed by any stockholders entitled to appraisal within that 120 day period, appraisal rights will be lost for all dissenting stockholders. MoneyGram is under no obligation to, and has no present intention to, file a petition in the event there are dissenting stockholders, and stockholders should not assume that MoneyGram will file a petition or that it will initiate any negotiations with respect to the fair value of shares of our Common Stock. Accordingly, it is the obligation of MoneyGram's stockholders to initiate all necessary action to perfect their appraisal rights in respect of the shares of our Common Stock within the period prescribed in Section 262 of the DGCL.

Within 120 days after the effective time of the merger, any MoneyGram stockholder who has complied with the requirements for exercise of appraisal rights will be entitled, upon written request, to receive from the surviving corporation a statement setting forth the aggregate number of shares not voted in favor of the proposal to approve and adopt the merger agreement and with respect to which demands for appraisal have been received and the aggregate number of such dissenting stockholders. Such statement must be mailed by the surviving corporation within 10 days after the receipt of a written request from the dissenting stockholders or within 10 days after the expiration of the period for delivery of demands for appraisal, whichever is later. Notwithstanding the requirement that a demand for appraisal must be made by or on behalf of the record owner of shares, a person who is the beneficial owner of shares held either in a voting trust or by a nominee on behalf of such person, and as to which demand has been properly made and not effectively withdrawn, may, in such person's own name, file a petition for appraisal or request from the surviving corporation the statement described in this paragraph.

Upon the filing of such petition by any such holder of shares, service of a copy thereof must be made upon the surviving corporation, which will then be obligated within 20 days after such service to file in the office of the Register in Chancery of the Court of Chancery of the State of Delaware (referred to as the Delaware Register in Chancery) a duly verified list (referred to as the verified list) containing the names and addresses of all stockholders who have demanded payment for their shares and with whom agreements as to the value of their shares have not been reached by the surviving corporation. Upon the filing of any such petition, the Court of Chancery of the State of Delaware may order the Delaware Register in Chancery to provide notice of the time and place fixed for the hearing on the petition by registered or certified mail to the surviving corporation and all of the stockholders shown on the

verified list. Such notice will also be published in one or more publications at least one week before the day of the hearing in a newspaper of general circulation published in the City of Wilmington, Delaware, or in another publication determined by the Court of Chancery of the State of Delaware. The forms of notice by mail or publication will be approved by the Court of Chancery of the State of Delaware and the costs of these notices are borne by the surviving corporation.

After notice to the stockholders as required by the Court of Chancery of the State of Delaware, the Court of Chancery is empowered to conduct a hearing on the petition to determine those stockholders who have complied

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with Section 262 of the DGCL and who have become entitled to appraisal rights thereunder. The Court of Chancery may require the stockholders who demanded appraisal for their shares of our Common Stock and who hold shares represented by certificates to submit their stock certificates to the Delaware Register in Chancery for notation thereon of the pendency of the appraisal proceeding, and, if any such stockholder fails to comply with the direction, the Court of Chancery may dismiss the proceedings as to that stockholder. Even if a stockholder complies with the requirements of Section 262 of the DGCL, the Court of Chancery shall dismiss the proceedings as to all stockholders who are otherwise entitled to appraisal rights unless (i) the total number of shares of our Common Stock entitled to appraisal exceeds 1% of the outstanding shares of our Common Stock eligible for appraisal or (ii) the value of the consideration provided in the merger for such total number of shares of our Common Stock entitled to appraisal exceeds \$1 million.

Determination of Fair Value

After the Court of Chancery of the State of Delaware determines which stockholders are entitled to appraisal, the appraisal proceeding will be conducted in accordance with the rules of the Court of Chancery, including any rules specifically governing appraisal proceedings. Through the appraisal proceeding, the Court of Chancery will determine the fair value of the shares, exclusive of any element of value arising from the accomplishment or expectation of the merger, together with interest, if any, to be paid upon the amount determined to be the fair value (or in certain circumstances described below, on the difference between the amount determined to be the fair value and the amount paid by the surviving corporation in the merger to each stockholder entitled to appraisal prior to the entry of judgment in the appraisal proceeding). Unless the Court of Chancery in its discretion determines otherwise for good cause shown, interest from the effective time of the merger through the date of payment of the judgment will be compounded quarterly and will accrue at 5.0% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between effective time of the merger and the date of payment of the judgment. Despite the foregoing, at any time before the entry of a judgment in the proceedings, the surviving corporation may pay to each stockholder entitled to appraisal an amount in cash, in which case interest will accrue thereafter as provided in the immediately preceding sentence only upon the sum of (i) the difference, if any, between the amount so paid and the fair value of the shares of our Common Stock as determined by the Court of Chancery and (ii) interest theretofore accrued, unless paid at that time.

In determining fair value, the Court of Chancery of the State of Delaware may take into account all relevant factors. In *Weinberger v. UOP, Inc.*, the Supreme Court of Delaware discussed the factors that could be considered in determining fair value in an appraisal proceeding, stating that "proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court should be considered and that [f]air price obviously requires consideration of all relevant factors involving the value of a company." The Delaware Supreme Court stated that, in making this determination of fair value, the Court of Chancery may consider market value, asset value, dividends, earnings prospects, the nature of the enterprise and any other facts that could be ascertained as of the date of the merger that throw any light on future prospects of the merged corporation. Section 262 of the DGCL provides that fair value is to be "exclusive of any element of value arising from the accomplishment or expectation of the merger [.]". In *Cede & Co. v. Technicolor, Inc.*, the Delaware Supreme Court stated that such exclusion is a "narrow exclusion [that] does not encompass known elements of value, but which rather applies only to the speculative elements of value arising from such accomplishment or expectation." In *Weinberger*, the Supreme Court of Delaware also stated that "elements of future value, including the nature of the enterprise, which are known or susceptible of proof as of the date of the merger and not the product of speculation, may be considered."

Stockholders considering appraisal should be aware that the fair value of their shares of our Common Stock as so determined could be more than, the same as or less than the per share merger consideration and that an investment banking opinion as to the fairness, from a financial point of view, of the consideration payable in a sale transaction, such as the merger, is not an opinion as to, and does not otherwise address, "fair value" under Section 262 of the DGCL.

Although MoneyGram believes that the per share merger consideration is fair, we

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cannot make any assurances as to the outcome of the appraisal of fair value as determined by the Court of Chancery of the State of Delaware. MoneyGram does not anticipate offering more than the per share merger consideration to any stockholder exercising appraisal rights, and MoneyGram reserves the right to assert, in any appraisal proceeding, that for purposes of Section 262 of the DGCL, the fair value of a share of our Common Stock is less than the per share merger consideration.

Upon application by the surviving corporation or by any holder of shares of our Common Stock entitled to participate in the appraisal proceeding, the Court of Chancery of the State of Delaware may, in its discretion, proceed to trial upon the appraisal prior to the final determination of the stockholders entitled to an appraisal. Any holder of shares of our Common Stock whose name appears on the verified list and, if such shares are represented by certificates and if so required, who has submitted such stockholder's certificates of stock to the Delaware Register in Chancery, may participate fully in all proceedings until it is finally determined that such stockholder is not entitled to appraisal rights. The Court of Chancery will direct the payment of the fair value of the shares of our Common Stock, together with interest, if any, upon the amount determined to be the fair value (or, in certain circumstances described in this proxy statement, on the difference between the amount determined to be the fair value and the amount paid by the surviving corporation in the merger to each stockholder entitled to appraisal prior to the entry of judgment in the appraisal proceeding) by the surviving corporation to the stockholders entitled thereto. Payment will be so made to each such stockholder, in the case of holders of uncertificated stock, forthwith, and, in the case of holders of shares represented by certificates, upon the surrender to the surviving corporation of such stockholder's certificates. The Court of Chancery's decree may be enforced as other decrees in such Court may be enforced.

The costs of the action (which do not include attorneys' fees or the fees and expenses of experts) may be determined by the Court of Chancery of the State of Delaware and taxed upon the parties as the Court of Chancery deems equitable. Upon application of a stockholder, the Court of Chancery may order all or a portion of the expenses incurred by a stockholder in connection with an appraisal proceeding, including, without limitation, reasonable attorneys' fees and the fees and expenses of experts utilized in the appraisal proceeding, to be charged, pro rata, against the value of all the shares of our Common Stock entitled to appraisal. In the absence of an order, each party to the appraisal proceeding bears its own expenses.

Any stockholder who has duly demanded appraisal rights for shares of our Common Stock in compliance with Section 262 of the DGCL will not, after the effective time of the merger, be entitled to vote such shares for any purpose or be entitled to the payment of dividends or other distributions thereon, except dividends or other distributions payable to holders of record of shares of our Common Stock as of a date or time prior to the effective time of the merger.

At any time within 60 days after the effective time of the merger, any stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party will have the right to withdraw such stockholder's demand for appraisal and to accept the terms offered in the merger; after this period, the stockholder may withdraw such stockholder's demand for appraisal only with the consent of MoneyGram. No appraisal proceeding in the Court of Chancery of the State of Delaware shall be dismissed as to any stockholder without the approval of the Court of Chancery of the State of Delaware, and such approval may be conditioned upon such terms as the Court of Chancery of the State of Delaware deems just. If no petition for appraisal is filed with the Court of Chancery of the State of Delaware within 120 days after the effective time of the merger, stockholders' rights to appraisal shall cease and all holders of shares of our Common Stock will be entitled to receive the merger consideration. Inasmuch as MoneyGram has no obligation to file such a petition and has no present intention to do so, any holder of shares of our Common Stock who desires such a petition to be filed is advised to file it on a timely basis. Any stockholder may withdraw such stockholder's demand for appraisal by delivering to MoneyGram a written withdrawal of its demand for appraisal and acceptance of the merger consideration, except that (a) any such attempt to withdraw made more than 60 days after the

effective time of the merger will require written approval of MoneyGram and (b) no appraisal proceeding in the Court of Chancery of the State of Delaware shall be dismissed as to any stockholder without the approval of the Court of

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Chancery of the State of Delaware and such approval may be conditioned upon such terms as the Court of Chancery of the State of Delaware deems just. Notwithstanding the foregoing, any stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party may withdraw such stockholder's demand for appraisal and accept the terms offered upon the merger within 60 days after the effective time of the merger.

If you wish to exercise your appraisal rights, you must not vote your shares of our Common Stock in favor of the merger and you must comply with the procedures set forth in Section 262 of the DGCL. If you fail to take any required step in connection with the exercise of appraisal rights, it will result in the termination or waiver of your appraisal rights.

The foregoing summary of the rights of MoneyGram stockholders to seek appraisal rights under Section 262 of the DGCL does not purport to be a complete statement of the procedures to be followed by MoneyGram stockholders desiring to exercise any appraisal rights available to them and is qualified in its entirety by reference to Section 262 of the DGCL. The proper exercise of appraisal rights requires adherence to the applicable provisions of Section 262 of the DGCL. A copy of Section 262 of the DGCL is included as Annex E to this proxy statement.

Failure to comply strictly with all of the procedures set forth in Section 262 of the DGCL will result in the loss of a stockholder's statutory appraisal rights. In view of the complexity of Section 262 of the DGCL, MoneyGram's stockholders who may wish to pursue appraisal rights should consult their legal and financial advisors.

Financing of the Merger

The total amount of funds necessary to consummate the merger and the related transactions will be funded by Guarantor, including the funds needed to (i) pay our stockholders the aggregate merger consideration due to them under the merger agreement; (ii) make payments pursuant to the merger agreement in respect of outstanding MoneyGram Options granted under the MoneyGram stock plan; (iii) repay the outstanding indebtedness of the MoneyGram under its existing credit agreement, to the extent required to be repaid and (iv) pay fees and expenses payable by Guarantor, Alipay and Merger Sub under the merger agreement and in connection with the debt financing. Guarantor will obtain such funding through the proceeds from one or more debt financing transactions. The obligation of Guarantor, Alipay and Merger Sub to complete the merger is not conditioned upon Guarantor obtaining financing.

Debt Commitment Letter

Concurrently with the signing of the merger agreement, Guarantor entered into a commitment letter with Citibank N.A., Hong Kong Branch and Citigroup Global Markets Asia Limited providing for a senior secured term loan facility and on March 28, 2017 such commitment letter was replaced, in accordance with the terms of the merger agreement, with a commitment letter (the "debt commitment letter") with Australia and New Zealand Banking Group Limited, Citibank N.A., Hong Kong Branch, Citigroup Global Markets Asia Limited, Credit Suisse AG, Singapore Branch, DBS Bank Ltd., Goldman Sachs Bank USA, The Hongkong and Shanghai Banking Corporation Limited, JPMorgan Chase Bank, N.A., Hong Kong Branch, Mizuho Bank, Ltd. and Morgan Stanley Senior Funding, Inc. (collectively, the "debt commitment parties"), providing for, among other facilities, a senior secured term loan facility in an aggregate amount up to \$1.85 billion.

The obligations of the debt commitment parties to provide the debt financing under the debt commitment letter will terminate at the earliest to occur of (i) the date of the signing of definitive documentation governing the debt financing, (ii) the termination of the merger agreement without the consummation of the merger having occurred, (iii) the consummation of the merger with or without the funding of the debt financing or (iv) 11:59 p.m., New York City

time, April 26, 2018.

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The definitive documentation governing the debt financing has not been finalized and, accordingly, the actual terms of the debt financing may differ from those described in this proxy statement.

Delisting and Deregistration of the Common Stock

If the merger is completed, our Common Stock will no longer be traded on the NASDAQ and will be deregistered under the Exchange Act.

Accounting Treatment

The merger will be accounted for as a purchase transaction for financial accounting purposes.

Material United States Federal Income Tax Consequences of the Merger

The following is a summary of certain material United States federal income tax considerations applicable to our stockholders of the receipt of cash in exchange for shares of our Common Stock pursuant to the merger. This summary is based upon the provisions of the Code, applicable United States Treasury Regulations, judicial authority and administrative rulings and practice, all as in effect on the date of this proxy statement. All of these authorities are subject to change, possibly on a retroactive basis and to differing interpretations, all of which could result in tax considerations different from those described below. This discussion assumes that the shares of our Common Stock are held as capital assets within the meaning of Section 1221 of the Code by their beneficial owners. This discussion does not address all aspects of United States federal income taxation that may be relevant to a particular stockholder in light of such stockholder's unique investment circumstances, or to stockholders subject to special treatment under the United States federal income tax laws (for example, a bank, life insurance companies, or other financial institution; dealers or brokers in securities or currencies; a trader in securities that elects mark-to-market treatment; tax-exempt organizations; a retirement plan or other tax-deferred account; S-corporations, partnerships, or other pass-through entity; a mutual fund; a real estate investment trust or regulated investment company; a personal holding company; United States expatriates; controlled foreign corporations, passive foreign investment companies; a corporation that accumulates earnings to avoid U.S. federal income tax; U.S. holders (as defined below) whose functional currency is not the U.S. dollar; stockholders who hold shares of our Common Stock as part of a hedging, straddle, constructive sale, conversion or other risk-reduction strategy or integrated transaction; non-U.S. holders (as defined below) that own, or have owned, actually or constructively, more than 5% of our Common Stock; or stockholders who acquired their shares of our Common Stock through the exercise of employee stock options or other compensation arrangements or stockholders who receive cash pursuant to the exercise of appraisal rights). In addition, this discussion is general in nature and does not address any aspect of state, local, alternative minimum, estate, gift or non-United States taxation that may be applicable to a particular stockholder.

MoneyGram stockholders should consult their own tax advisors to determine the particular tax consequences to them of the receipt of cash in exchange for shares of our Common Stock pursuant to the merger (including the application and effect of any state, local or non-United States income and other tax laws).

If a partnership (or an entity or arrangement taxable as a partnership for United States federal income tax purposes) holds shares of our Common Stock, the tax treatment of a partner generally will depend on the status of the partner and activities of the partnership. If you are a partner of a partnership holding our Common Stock, you should consult your own tax advisor.

For purposes of this discussion, the term "U.S. holder" means a beneficial owner of our Common Stock that is, for U.S. federal income tax purposes, any of the following:

a citizen or individual resident of the United States;

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a corporation, or other entity taxable as a corporation for United States federal income tax purposes, created or organized in or under the laws of the United States, any state in the United States, or the District of Columbia;

a trust if (1) a court within the United States is able to exercise primary supervision over the trust's administration and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) the trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person; or

an estate that is subject to United States federal income tax on all of its income regardless of source.

A non-U.S. holder is a beneficial owner (other than a partnership or other entity or arrangement taxable as a partnership for United States federal income tax purposes) of our Common Stock that is not a U.S. holder.

U.S. Holders

The receipt of cash in the merger generally will be a taxable transaction to U.S. holders for United States federal income tax purposes. Generally, a U.S. holder of shares of our Common Stock will recognize gain or loss equal to the difference between the amount of cash received in the merger and such U.S. holder's adjusted tax basis in the shares of our Common Stock converted into cash pursuant to the merger. Gain or loss will be determined separately for each block of shares (that is, shares acquired at the same cost in a single transaction) owned by a U.S. holder. If the shares of our Common Stock have been held for more than one year at the effective time of the merger, the gain or loss generally will be long-term capital gain or loss, and will be short-term capital gain or loss if the shares have been held for one year or less. Long-term capital gains recognized by non-corporate U.S. holders may be subject to reduced tax rates. The deductibility of capital losses is subject to limitation.

A 3.8% tax is imposed on the net investment income of certain individuals, trusts and estates if their income exceeds certain thresholds. In the case of an individual, the net investment income tax will be imposed on the lesser of (i) an individual's net investment income or (ii) the amount by which an individual's modified adjusted gross income exceeds \$250,000 (if the individual is married and filing jointly or a surviving spouse), \$125,000 (if the individual is married and filing separately) or \$200,000 (in any other case). In the case of an estate or trust, the tax will be imposed on the lesser of (i) undistributed net investment income or (ii) the excess of adjusted gross income over the dollar amount at which the highest income tax bracket applicable to an estate or trust begins. For these purposes, net investment income generally will include any gain recognized on the receipt of the cash for shares of our Common Stock in the merger.

Information returns will be filed with the Internal Revenue Service (IRS) in connection with payments to a U.S. holder pursuant to the merger, unless the U.S. holder is an exempt recipient. Under the United States federal income tax backup withholding rules, the paying agent generally will be required to withhold 28% of all payments to which a U.S. holder is entitled in the merger, unless the U.S. holder (1) is a corporation or comes within other exempt categories and demonstrates this fact or (2) provides its correct tax identification number (social security number, in the case of an individual, or employer identification number in the case of other stockholders), certifies under penalties of perjury that the number is correct, certifies as to no loss of exemption from backup withholding and otherwise complies with the applicable requirements of the backup withholding rules. Each U.S. holder should complete, sign and return to the paying agent for the merger the IRS Form W-9 that each stockholder will receive with the letter of transmittal following completion of the merger in order to provide the information and certification necessary to avoid backup withholding, unless an applicable exception exists and is proved in a manner satisfactory to

the paying agent. If a U.S. holder does not provide a correct tax identification number, the U.S. holder may be subject to penalties imposed by the IRS.

Backup withholding is not an additional tax. Generally, any amounts withheld under the backup withholding rules described above may be credited against a U.S. holder's United States federal income tax liability, if any, or

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refunded by the IRS provided that the required information is furnished to the IRS in a timely manner. Each U.S. holder should consult its own tax advisors as to the qualifications for an exemption from backup withholding and the procedures for obtaining such exemption.

Non-U.S. Holders

Any gain realized on the receipt of cash pursuant to the merger by a non-U.S. holder generally will not be subject to United States federal income tax unless:

the gain is effectively connected with a United States trade or business of such non-U.S. holder (and, if an applicable income tax treaty so provides, is also attributable to a permanent establishment in the United States maintained by such non-U.S. holder), in which case the non-U.S. holder generally will be taxed at graduated United States federal income tax rates applicable to United States persons (as defined under the Code), and, if the non-U.S. holder is a foreign corporation, an additional branch profits tax may apply to its effectively connected earnings and profits for the taxable year at the rate of 30% (or such lower rate as may be specified by an applicable income tax treaty); or

the non-U.S. holder is a nonresident alien individual who is present in the United States for 183 days or more in the taxable year of the merger and certain other conditions are met, in which case the non-U.S. holder will be subject to a 30% tax on the non-U.S. holder's gain realized in the merger (unless an exception is provided under an applicable treaty), which may be offset by U.S. source capital losses of the non-U.S. holder, if any.

A non-U.S. holder will be subject to information reporting, and, in certain circumstances, backup withholding may apply to the cash received pursuant to the merger, unless the non-U.S. holder certifies under penalties of perjury that it is a non-U.S. person (and the payor does not have actual knowledge or reason to know that the non-U.S. holder is a United States person as defined under the Code) or such non-U.S. holder otherwise establishes an exemption. To avoid backup withholding, non-U.S. holders generally must submit a properly executed IRS Form W-8BEN,

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding or other applicable IRS Form W-8. Backup withholding is not an additional tax. Generally, any amounts withheld under the backup withholding rules described above may be credited against a non-U.S. holder's United States federal income tax liability, if any, or refunded by the IRS provided that the required information is furnished to the IRS in a timely manner. Each non-U.S. holder should consult its own tax advisors as to the qualifications for an exemption from backup withholding and the procedures for obtaining such exemption.

The foregoing discussion of certain material United States federal income tax consequences is not intended to be, and should not be construed as, legal or tax advice to any stockholder of our Common Stock. You should consult your own tax advisors to determine the particular tax consequences to you (including the application and effect of any state, local or non-United States income and other tax laws) of the receipt of cash in exchange for shares of our Common Stock pursuant to the merger.

Litigation Relating to the Merger

On March 13, 2017, a putative securities class action lawsuit was filed in the United States District Court for the District of Delaware against MoneyGram, all of our directors, certain of our executive officers, Alipay, Guarantor, Merger Sub, and Ant Financial. This lawsuit is captioned *Solak v. Holmes et al.*, No. 1:17-cv-00266-LPS (the Delaware Action). On March 17, 2017, a putative securities class action lawsuit was filed in the United States District

Court for the Northern District of Texas against MoneyGram and our directors. This lawsuit is captioned *Dellisola v. MoneyGram International, Inc. et al.*, No. 3:17-cv-00777-M (the Texas Action).

The plaintiffs, our stockholders, challenge the merger and the disclosures made in connection with the merger. The lawsuits allege violations of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9

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promulgated thereunder due to allegedly material and misleading omissions in the preliminary proxy statement filed in connection with the merger. The Texas Action also alleges a violation of Regulation G, 17 C.F.R. § 244.100, due to allegedly material and misleading omissions in the preliminary proxy statement filed in connection with the merger. Additionally, the lawsuits allege that the merger agreement is unfair to our stockholders, resulted from an inadequate process, and contains terms that will supposedly deter third parties from making alternative offers. The plaintiffs seek to enjoin the merger and to recover damages, costs and attorneys' fees in unspecified amounts.

The plaintiff in the Delaware Action has served MoneyGram and our directors and officers, and their answer deadline is currently April 5, 2017. The plaintiff in the Texas Action has not yet served the defendants, and the defendants' date to answer, move to dismiss, or otherwise respond to the lawsuit has not yet been set.

The defendants believe that both lawsuits are without merit and intend to vigorously defend themselves against the lawsuits.

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THE MERGER AGREEMENT

*The following summary of the material terms of the merger agreement is qualified in its entirety by reference to the complete text of the merger agreement, which is incorporated by reference in this proxy statement and attached to this proxy statement as Annex A. The merger agreement has been included to provide you with information regarding its terms. It is not intended to provide you with any other factual information about MoneyGram, Alipay, Merger Sub or Guarantor. Such information can be found elsewhere in this proxy statement and in other public filings made by MoneyGram with the SEC, which are available without charge at www.sec.gov or as more fully described in the section entitled *Where You Can Find More Information*. Our stockholders are urged to read the full text of the merger agreement in its entirety.*

General

Explanatory Note

The following summary of the merger agreement, and the copy of the merger agreement attached as Annex A to this document, are intended to provide information regarding the terms of the merger agreement and are not intended to provide any factual information about MoneyGram or modify or supplement any factual disclosures about MoneyGram in its public reports filed with the SEC. In particular, the merger agreement and the related summary are not intended to be, and should not be relied upon as, disclosures regarding any facts and circumstances relating to MoneyGram. The merger agreement contains representations and warranties by and covenants of MoneyGram, Alipay, Merger Sub and Guarantor that were made only for purposes of that agreement and as of specified dates. The representations, warranties and covenants in the merger agreement were made solely for the benefit of the parties to the merger agreement, may be subject to limitations agreed upon by the contracting parties, including being qualified by confidential disclosures and being made for the purposes of allocating contractual risk between the parties to the merger agreement instead of establishing these matters as facts, and may be subject to contractual standards of materiality or material adverse effect applicable to the contracting parties that generally differ from those applicable to investors. In addition, information concerning the subject matter of the representations, warranties and covenants may change after the date of the merger agreement, which subsequent information may or may not be fully reflected in MoneyGram's public disclosures. The representations, warranties and covenants in the merger agreement and any descriptions thereof should be read in conjunction with the disclosures in MoneyGram's periodic and current reports, proxy statements and other documents filed with the SEC. See the section entitled *Where You Can Find More Information*. Moreover, the description of the merger agreement below does not purport to describe all of the terms of such agreement and is qualified in its entirety by reference to the full text of such agreement, a copy of which is attached hereto as Annex A and is incorporated in this proxy statement by reference.

Additional information about MoneyGram may be found elsewhere in this document and MoneyGram's other public filings. See the section entitled *Where You Can Find More Information*.

Structure of the Merger

At the effective time of the merger, Merger Sub will merge with and into MoneyGram and MoneyGram will continue its corporate existence under the Laws of the State of Delaware as the surviving corporation in the merger.

Certificate of Incorporation and Bylaws

The certificate of incorporation of MoneyGram, as in effect as of immediately prior to the effective time of the merger, will be amended and restated as of the effective time of the merger so as to read in its entirety as set forth in

Annex A to the merger agreement, which is attached as Annex A hereto, and as so amended and restated will be the certificate of incorporation of the surviving corporation following the merger until thereafter amended in accordance with the provisions thereof and of applicable law. The bylaws of MoneyGram, as in effect as of

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immediately prior to the effective time of the merger, will be amended and restated as of the effective time of the merger so as to read in their entirety as set forth in Annex B to the merger agreement, which is attached as Annex A hereto, and as so amended and restated will be the bylaws of the surviving corporation until thereafter amended in accordance with the provisions thereof, the certificate of incorporation of the surviving corporation and of applicable law.

Directors and Officers

The directors of Merger Sub immediately prior to the effective time of the merger, with such additional individuals that Alipay may designate prior to the effective time of the merger to serve as directors of the surviving corporation, will be the directors of the surviving corporation as of the effective time of the merger. The officers of MoneyGram immediately prior to the effective time of the merger will be the officers of the surviving corporation as of the effective time of the merger.

When the Merger Becomes Effective

The closing of the merger will take place, unless another date is agreed in writing by the parties, no later than the third business day (or, if earlier, the business day immediately prior to the end date) after the satisfaction or waiver (to the extent permitted by applicable law) of the closing conditions (other than those conditions that by their nature are to be satisfied at the closing, but subject to the satisfaction or waiver of those conditions) set forth in the merger agreement. However, if the required information (as summarized below) has not been provided by MoneyGram at the time of the satisfaction or waiver of all of the closing conditions set forth in the merger agreement (other than those conditions that by their nature are to be satisfied at the closing, but subject to the satisfaction or waiver of such conditions), the closing of the merger will occur on the earlier of (a) a date specified by Alipay in writing on no fewer than three business days notice to MoneyGram and (b) the fifth business day following the date the required information is provided by MoneyGram, provided that in each case of (a) and (b) the closing is subject to the satisfaction or waiver (to the extent permitted by applicable law) of the closing conditions (other than those conditions that by their nature are to be satisfied at the closing, but subject to the satisfaction or waiver of those conditions) set forth in the merger agreement.

On the closing date of the merger, MoneyGram and Merger Sub will cause the merger to be consummated by executing, delivering and filing a certificate of merger with the Secretary of State of the State of Delaware in accordance with the relevant provisions of the DGCL and other applicable Delaware law and will make such other filings or recordings required under the DGCL in connection with the merger. The merger will become effective at such time as the certificate of merger is duly filed with the Secretary of State of the State of Delaware, or at such later time on the closing date of the merger as may be agreed by Alipay and MoneyGram and specified in the certificate of merger.

The required information means all financial statements relating to MoneyGram necessary to satisfy certain conditions in the debt commitment letter as in effect on the date of the merger agreement; provided that such information will not satisfy such conditions if (1) Ernst & Young LLP or Deloitte & Touche LLP has withdrawn their audit opinions with respect to any audited financial statements contained in such required information, in which case the required information will not be deemed to have been provided unless and until a new unqualified audit opinion is issued with respect to such financial statements by Ernst & Young LLP, Deloitte & Touche LLP or another independent accounting firm of nationally recognized standing; or (2) MoneyGram has publicly announced any intention to restate any historical financial statements of MoneyGram included in the required information, or MoneyGram has publicly announced that such restatement is under consideration, in which case the required information will not be deemed to have been provided unless and until such restatement has been completed and the applicable required information has

been amended or MoneyGram has publicly announced that it has concluded no such restatement will be required.

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Effect of the Merger on the Common Stock

At the effective time of the merger each share of Common Stock, par value \$0.01 per share, of MoneyGram outstanding immediately prior to the effective time of the merger (other than dissenting shares, converted shares or cancelled shares (each as described below)) will be cancelled and converted into the right to receive \$13.25 in cash, without interest, (the merger consideration .)

Notwithstanding the foregoing, any shares of Common Stock then held by any wholly owned subsidiary of MoneyGram will be converted into one fully paid and non-assessable share of common stock of the surviving corporation, (the converted shares,) and any shares of Common Stock then held by MoneyGram, Alipay, Merger Sub or any entity of which Merger Sub is a direct or indirect wholly owned subsidiary will be cancelled and retired and no cash or other consideration will be delivered in exchange of such shares, or the cancelled shares.

In addition, any shares of Common Stock that are issued and outstanding immediately prior to the effective time of the merger and as to which the holders thereof have not voted in favor of the approval and adoption of the merger agreement and have properly demanded appraisal in accordance with Section 262 of the DGCL and have not effectively withdrawn such demand, (referred collectively to as the dissenting shares) will not be converted into the right to receive the merger consideration, and such holders will be entitled only to such rights and payments as are granted by Section 262 of the DGCL; provided, however, that if any such holder effectively waives, withdraws or loses such holder's rights under Section 262 of the DGCL, each of such holder's dissenting shares will thereupon be deemed to have been converted at the effective time of the merger into the right to receive the merger consideration, without interest and after giving effect to any required tax withholdings as provided in this proxy statement, and such holder thereof will cease to have any other rights with respect thereto. For more information regarding appraisal rights, see the section entitled The Merger Appraisal Rights.

At the effective time of the merger, each share of common stock, par value \$0.01 per share, of Merger Sub outstanding immediately prior to the effective time of the merger will be converted into and become one share of common stock of the surviving corporation.

Effect of the Merger on the Series D Preferred Stock

At the effective time of the merger, each share of Series D Preferred Stock will be cancelled and each holder of shares of Series D Preferred Stock will be entitled to receive an amount in cash equal to the aggregate merger consideration such holder would have received had such holder, immediately prior to the effective time of the merger, converted all of its shares of Series D Preferred Stock into shares of Common Stock of MoneyGram (without regard to any limitations contained in the certificate of designation with respect to such Series D Preferred Stock).

As of the record date, there are 71,281.9038 shares of Series D Preferred Stock outstanding, all of which are held by Goldman Sachs, which are convertible into 8,910,234 shares of Common Stock. Thus, upon completion of the merger, Goldman Sachs will receive \$118,060,600.50 in merger consideration.

Treatment of Equity Awards

At the effective time of the merger, each outstanding MoneyGram Option, granted pursuant to MoneyGram's 2005 Omnibus Incentive Plan, as amended, restated, modified or supplemented from time to time, whether vested or unvested, that is outstanding immediately prior to the effective time of the merger, unless otherwise agreed to in writing by Alipay and the holder of such MoneyGram Option, will automatically be terminated at the effective time of the merger and converted into the right of the holder thereof to receive, in full satisfaction of MoneyGram's obligations

with respect to any such MoneyGram Option, as of the effective time of the merger, an amount in cash (subject to any applicable withholding taxes) equal to the product of (x) the excess, if any, of the merger consideration over the applicable exercise price of such MoneyGram Option and

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(y) the number (determined without reference to vesting requirements or other limitations on exercisability) of shares of Common Stock of MoneyGram issuable upon exercise of such MoneyGram Option. Any MoneyGram Option that is outstanding immediately prior to the effective time of the merger and has an exercise price that is equal to or greater than the merger consideration will expire upon the effective time of the merger without being converted into the right to receive any merger consideration in respect thereof.

At the effective time of the merger, each MoneyGram RSU, whether subject to performance-based vesting requirements or time-based vesting requirements, outstanding immediately prior to the effective time of the merger, will, unless otherwise agreed to in writing by Alipay and the holder of such MoneyGram RSU, automatically be converted into a cash-settled long-term incentive award (a converted award), representing a right to receive an amount of cash, without interest, equal to the per share merger consideration, on the same vesting terms and conditions applicable to such MoneyGram RSU immediately before the effective time of the merger. On the date, and to the extent, that the converted award becomes vested, such vested converted award will be paid, subject to any applicable withholding taxes, as soon as practicable thereafter (but in any event not later than the second regular payroll date thereafter). MoneyGram will take all actions necessary to provide for the foregoing actions.

Payment of the Merger Consideration

Prior to the effective time of the merger, Alipay will enter into an agreement in form and substance reasonably acceptable to MoneyGram with MoneyGram's transfer agent or a bank or trust company that is reasonably satisfactory to MoneyGram to act as paying agent (the Paying Agent). At or prior to the effective time of the merger, Alipay or one of its subsidiaries will deposit, or cause to be deposited, with the Paying Agent, for the benefit of the holders of shares of Common Stock of MoneyGram (other than dissenting shares, converted shares or cancelled shares) and the Series D Preferred Stock cash in U.S. dollars sufficient to pay the aggregate merger consideration with respect to all such shares of Common Stock of MoneyGram (other than dissenting shares, converted shares or cancelled shares) and Series D Preferred Stock outstanding immediately prior to the effective time of the merger. With respect to any dissenting shares, Alipay will only be required to deposit or cause to be deposited with the Paying Agent funds sufficient to pay the aggregate merger consideration payable in respect of such dissenting shares if the holder thereof fails to perfect or effectively withdraws or loses its right to dissent under the DGCL. The funds held by the Paying Agent will be invested by the Paying Agent as directed by Alipay; provided, however, to the extent such funds are not sufficient to make the payments provided in the merger agreement, Alipay will, or will cause the surviving corporation to, promptly replace or restore the lost portion of such fund so as to ensure that it is maintained at a level sufficient to make such payments.

As soon as reasonably practicable after the effective time of the merger, Alipay will cause the Paying Agent to mail to each holder of record of shares of Common Stock of MoneyGram (other than dissenting shares, converted shares or cancelled shares) or Series D Preferred Stock that immediately prior to the effective time of the merger were evidenced by certificates: (i) a form of letter of transmittal and (ii) instructions for use in effecting the surrender of the certificates in exchange for the merger consideration. Upon proper surrender of such certificate (or affidavits of loss in lieu thereof) for exchange and cancellation to the Paying Agent, together with a letter of transmittal, duly completed and validly executed in accordance with the instructions thereto, and such other documents as may be reasonably required pursuant to such instructions, the holder of such certificate will be entitled to receive in exchange therefor the merger consideration in respect of the shares of Common Stock of MoneyGram or Series D Preferred Stock formerly represented by such certificate and such certificate so surrendered will be cancelled. No interest will be paid or accrued for the benefit of holders of the certificates on the merger consideration payable upon the surrender of such certificates

Any holder of record of shares of Common Stock of MoneyGram (other than dissenting shares, converted shares or cancelled shares) or Series D Preferred Stock that immediately prior to the effective time of the merger were not evidenced by certificates, or book entry shares, will not be required to deliver a certificate or, unless reasonably requested by the Paying Agent, an executed letter of transmittal to the Paying Agent in order to

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receive the aggregate merger consideration with respect to such book entry shares, and as soon as reasonably practicable after the effective time of the merger, the Paying Agent will pay and deliver to each holder of book entry shares the aggregate merger consideration in respect of such book entry shares, and such book entry shares will then be canceled. No interest will be paid or accrued for the benefit of holders of book entry shares on the merger consideration payable in respect of such book entry shares.

Representations and Warranties; Material Adverse Effect

The merger agreement contains representations and warranties of MoneyGram, subject to certain exceptions in the merger agreement, in the confidential disclosure schedule delivered in connection with the merger agreement and in certain of MoneyGram's public filings, as to, among other things:

corporate organization;

capitalization;

corporate authority and the recommendation of our board of directors;

consents and approvals of governmental entities and other third parties relating to the execution, delivery or performance of the merger agreement;

MoneyGram's SEC filings;

financial statements and the absence of undisclosed liabilities;

the absence of a material adverse effect and certain other changes or events;

legal proceedings;

compliance with applicable law;

material contracts;

tax matters;

employee and employee benefit plan matters;

labor matters;

intellectual property;

environmental liability;

real and personal property matters;

insurance matters;

anti-takeover statutes;

required stockholder vote;

the accuracy and completeness of the information supplied for the purposes of this proxy statement;

receipt of a fairness opinion from BofA Merrill Lynch;

broker's fees;

transactions with affiliates.

The merger agreement also contains representations and warranties of Alipay and Merger Sub, subject to certain exceptions in the merger agreement, as to, among other things:

corporate organization;

corporate authority;

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governmental and third party consents and approvals relating to the execution, delivery and performance of the merger agreement;

broker's fees;

the accuracy and completeness of the information supplied for the purposes of this proxy statement;

approvals by the stockholder of Alipay;

ownership of MoneyGram's Common Stock;

litigation;

the debt financing; and

solvency.

Some of the representations and warranties in the merger agreement are qualified by materiality or knowledge qualifications or a material adverse effect qualification with respect to MoneyGram or a parent material adverse effect with respect to Alipay, as discussed below.

For purposes of the merger agreement, a material adverse effect means any fact, circumstance, event, change, effect or occurrence that, individually or in the aggregate with all other facts, circumstances, events, changes, effects, or occurrences has or would be reasonably expected to have a material adverse effect on the business, results of operations or financial condition of MoneyGram and its subsidiaries taken as a whole; provided, however, that in determining whether a material adverse effect has occurred there will be excluded any effect on MoneyGram and its subsidiaries to the extent caused by, resulting from or relating to the following (except the effect of the changes described in the first, third, fifth, sixth and seventh bullets below will not be excluded to the extent of the disproportionate impact, if any, they have on MoneyGram and its subsidiaries relative to other participants in the money transmission industry):

any change after the date of the merger agreement in laws of general applicability or published interpretations thereof by courts or governmental entities or in U.S. generally accepted accounting principles;

the announcement or execution of the merger agreement or the transactions contemplated thereby, including the identity of Alipay and any announced plans or intentions of Alipay with respect to MoneyGram or the business of MoneyGram and its subsidiaries following the closing (provided that the exception in this bullet will not apply to the use of the term material adverse effect in the representations and warranties regarding

consents and approvals of governmental entities and other third parties relating to the execution, delivery or performance of the merger agreement);

any changes after the date of the merger agreement in general political, tax, economic or business conditions in the U.S. or any country or region in the world in which MoneyGram or any of its subsidiaries does business, or any changes in securities, credit or capital market conditions, including interest rates or exchange rates;

the failure by MoneyGram and its subsidiaries to meet internal projections or forecasts or published revenue or earnings predictions for any period ending on or after the date of the merger agreement or a decrease in the market price or the trading volume of shares of Common Stock of MoneyGram (provided that the exception in this bullet will not prevent the underlying facts giving rise or contributing to such failure or decrease from being taken into account in determining whether a material adverse effect has occurred);

hurricanes, earthquakes, floods or other natural disasters;

the commencement, continuation or escalation of a war (whether or not declared), armed hostilities or acts of terrorism;

any change or effect generally affecting the money transmission industry,

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the performance by MoneyGram or any of its affiliates of its or their express obligations under the merger agreement; or

any action or omission by MoneyGram taken at the express written request Alipay.

A material adverse effect also includes any fact, circumstance, event, change, effect or occurrence that, individually or in the aggregate with all other facts, circumstances, events, changes, effects, or occurrences that prevents or materially delays or materially impairs, or that would reasonably be expected to prevent, materially delay or materially impair, MoneyGram's ability to perform its obligations under the merger agreement or consummate the transactions contemplated thereby on a timely basis.

For purposes of the merger agreement, a parent material adverse effect with means any fact, circumstance, event, change, effect or occurrence that, individually or in the aggregate with all other facts, circumstances, events, changes, effects, or occurrences prevents or materially delays or materially impairs, or that would reasonably be expected to prevent, materially delay or materially impair, Guarantor's, Alipay's and Merger Sub's ability to perform their respective obligations under the merger agreement or consummate the transactions contemplated thereby.

Conduct of Business Pending the Merger

The merger agreement provides that except (i) as expressly contemplated or permitted by the merger agreement, (ii) as required by any applicable law applicable to MoneyGram or any of its subsidiaries, (iii) as set forth on the confidential disclosure schedules or (iv) with the prior written consent of Alipay (which consent will not be unreasonably withheld or delayed), during the period from the date of the merger agreement to the effective time of the merger, (A) MoneyGram will, and will cause each of its subsidiaries to, (1) conduct its business in all material respects in the ordinary course consistent with past practice and (2) use reasonable best efforts to maintain and preserve intact its business organization, and its rights, authorizations, franchises and other authorizations issued by governmental entities, preserve its business relationships with persons doing business with it and retain the services of its officers and key employees and (B) MoneyGram will not, and will not permit any of its subsidiaries to, subject to certain exceptions as set forth in the merger agreement:

amend or otherwise change MoneyGram's certificate of incorporation or bylaws and, with respect to subsidiaries of MoneyGram, amend or otherwise change their applicable organizational documents in any material respect;

adjust, split, combine or reclassify any capital stock or other equity interest or enter into a plan of consolidation, merger, share exchange, share acquisition, reorganization or complete or partial liquidation with any person;

issue, grant, sell, dispose of, redeem or repurchase any equity securities or equity-based award in MoneyGram or any of its subsidiaries, or securities convertible into, or exchangeable or exercisable for, any such equity securities or awards, or any rights of any kind to acquire any such equity securities or such convertible or exchangeable securities;

declare, set aside, make or pay any dividend or other distribution, payable in cash, stock, property or otherwise, with respect to any of Common Stock, Series D Preferred Stock or other shares of capital stock or equity interests;

sell, exclusively license, transfer, mortgage, encumber or otherwise dispose of, any assets, rights or businesses of MoneyGram or its subsidiaries (including any capital stock of any subsidiaries);

acquire any corporation, partnership or other business organization or division thereof or any assets;

(A) incur, assume, refinance or guarantee any indebtedness for borrowed money or issue any debt securities, or assume or guarantee any indebtedness for borrowed money of any person or (B) enter into any swap or hedging transaction or other derivative agreement (other than a forward contract entered into in the ordinary course of business consistent with past practice);

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make any loans, advances or capital contributions to, or investments in, any other person;

enter into any contract involving or providing for the settlement of, or other arrangements with respect to, any claims or threatened claim (or series of related claims);

except in the ordinary course of business consistent with past practice, enter into, amend in any material respect, waive compliance with any material rights with respect to, or cancel or terminate any material contract;

except for the expenditures contemplated by and consistent with the 2017 and 2018 capital expenditure budgets, make, or commit to make, or otherwise authorize any capital expenditures in excess of \$2,000,000 in 2017 or \$2,000,000 in 2018;

(A) increase the compensation or benefits of any employee; (B) grant or pay any cash bonus, change-in-control, retention bonus, severance or termination pay to any employee; (C) establish, adopt, enter into, amend, terminate or grant any waiver or consent under any employee benefit plan; (D) grant any equity or equity-based awards; (E) hire, or terminate the employment of, any employee, other than for cause; (F) take any action to accelerate the vesting or time of payment of any compensation or benefit under any employee benefit plan or awards made thereunder; (G) loan or advance any money or other property to any present or former director, officer or employee of MoneyGram or its subsidiaries or (H) increase the funding obligation or contribution rate of any employee benefit plan subject to Title IV of Employee Retirement Income Security Act of 1974, as amended;

announce, implement or effect any reduction in force, layoff or other program resulting in the termination of employees, in each case, that would trigger the Worker Adjustment and Retraining Notification Act;

make any material changes in its methods, practices or policies of financial accounting;

(A) make or change any material tax election, (B) file any amended tax returns, (C) settle or compromise any material tax liability of MoneyGram or any of its subsidiaries, (D) agree to an extension or waiver of the statute of limitations with respect to the assessment or determination of taxes of MoneyGram or any of its subsidiaries, (E) enter into any closing agreement with respect to any material tax or surrender any right to claim a material tax refund, (F) incur any material liability for taxes outside the ordinary course of business, (G) make any material changes in its methods, practices or policies of tax accounting;

fail to use its reasonable best efforts to maintain in full force and effect the existing insurance policies of MoneyGram and its subsidiaries or to replace such insurance policies with comparable insurance policies;

fail to use its reasonable best efforts to maintain in full force and effect any money transmitter license to continue to operate its business as currently operated;

except for any changes made to comply with MoneyGram's deferred prosecution agreement with the Department of Justice or similar changes intended to enhance MoneyGram's compliance procedures in the ordinary course of business, (A) make any changes to the operation or protection of IT assets related to compliance with anti-money laundering laws or regulations administered by U.S. Department of the Treasury's Office of Foreign Assets Control or (B) make any material changes in the operation or protection of any material IT assets; or

agree to, or make any commitment to, take any of the foregoing actions.

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No Solicitation

Until the effective time of the merger or, if earlier, the date on which the merger agreement is terminated in accordance with its terms, MoneyGram will not, and MoneyGram will cause its subsidiaries not to, and will use reasonable best efforts to cause its and its subsidiaries' respective directors, officers, employees and representatives not to, directly or indirectly:

initiate, solicit, knowingly encourage or knowingly facilitate (including by way of providing information) the submission of any inquiries, proposals or offers that constitute or would reasonably be expected to lead to any Company acquisition proposal;

have any discussions or negotiations with or provide any confidential information or data to any person relating to a Company acquisition proposal, or engage in any negotiations concerning a Company acquisition proposal;

withdraw, change, amend, modify or qualify, or otherwise propose publicly to withdraw, change, amend, modify or qualify, in a manner adverse to Alipay, our board of directors recommendation or approve or recommend, or propose publicly to approve or recommend, any Company acquisition proposal (any act described in this bullet is referred to as a "change of recommendation"); or

approve or recommend, or propose to approve or recommend, or execute or enter into, any letter of intent or other document or contract related to any Company acquisition proposal (other than an acceptable confidentiality agreement) or enter into any letter of intent or other document or contract requiring MoneyGram to abandon, terminate or fail to consummate the transactions contemplated by or breach its obligations under the merger agreement.

Notwithstanding the foregoing restrictions, prior to the time required MoneyGram Stockholder Approval is obtained, if MoneyGram, any of its subsidiaries or any of their representatives receives an unsolicited bona fide written Company acquisition proposal that did not result from a breach of such foregoing restrictions and our board of directors concludes in good faith (after consultation with our outside legal and financial advisors) that such Company acquisition proposal constitutes a Company superior proposal or could reasonably be expected to result in a Company superior proposal, MoneyGram may, and may permit its subsidiaries and its and their directors, officers, employees and representatives, to:

enter into and maintain discussions or negotiations with the person making such Company acquisition proposal; and

furnish non-public information and afford access to the business, employees, officers, contracts, properties, assets, books and records of MoneyGram and its subsidiaries to the person making such Company acquisition proposal.

Prior to MoneyGram providing (or causing to be provided) such information or affording such access to, or entering into or maintaining such discussions or negotiations with, such person, MoneyGram will have entered into an acceptable confidentiality agreement with such person. In addition, MoneyGram will provide to Alipay any non-public information relating to MoneyGram or any of its subsidiaries that was not previously provided or made available to Alipay as promptly as reasonably practicable (but in any event within one day) after providing (or causing to be provided) any such information to such person making such Company acquisition proposal.

MoneyGram will notify Alipay orally and in writing promptly (but in any event within two days):

after receipt of any Company acquisition proposal (or any proposal or offer that constitutes or could reasonably be expected to lead to a Company acquisition proposal), which notice will include the identity of the person making such proposal or offer, a summary of the material terms of all such proposals or offers and copies of drafts of proposed agreements, term sheets or letters of intent related thereto;

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of any change to the financial or other material terms and conditions of any Company acquisition proposal and MoneyGram will otherwise keep Alipay reasonably informed of the status of any such Company acquisition proposal (including by providing copies of all proposals, offers and drafts of proposed agreements related thereto that have not already been provided); and

after receipt of any request for non-public information relating to MoneyGram or any of its subsidiaries or for access to its or any of its subsidiaries' properties, books or records by any person in connection with a Company acquisition proposal (or any proposal or offer that constitutes or could reasonably be expected to lead to a Company acquisition proposal).

Neither MoneyGram nor any of its subsidiaries will, after the date of the merger agreement, enter into any confidentiality or similar agreement that would prohibit it from providing the information described above to Alipay.

For purposes of this proxy statement:

Company acquisition proposal means any inquiry, proposal or offer from any person or group (as defined in or under Section 13(d) of the Exchange Act) (other than Alipay or any of its subsidiaries) relating to, or that could reasonably be expected to lead to, any direct or indirect (a) acquisition, purchase or sale of a business or assets that constitute 20% or more of the consolidated business, revenues, net income or assets (including stock of MoneyGram's subsidiaries) of MoneyGram and its subsidiaries, (b) merger, reorganization, share exchange, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving (i) MoneyGram or (ii) one or more subsidiaries of MoneyGram representing 20% or more of the consolidated business, revenues, net income or assets of MoneyGram and its subsidiaries, (c) purchase or sale of, or tender or exchange offer (including a self-tender offer) for, securities of MoneyGram or any of its subsidiaries that, if consummated, would result in any person (or the stockholders of such person) or group (as defined in or under Section 13(d) of the Exchange Act) beneficially owning securities representing 20% or more of the equity or total voting power of MoneyGram, any of its subsidiaries or the surviving parent entity in such transaction or (d) any public announcement of a proposal, plan or intention to do any of the foregoing or any contract to engage in any of the foregoing.

Company superior proposal means a bona fide written Company acquisition proposal (with all references in the definition of Company acquisition proposal to 20% changed to 50% for purposes of this definition) made by any person or group (as defined in or under Section 13(d) of the Exchange Act) on terms that our board of directors determines in good faith, after consultation with MoneyGram's outside financial and legal advisors, is reasonably likely to be consummated and would result, if consummated, in a transaction that is more favorable to MoneyGram's stockholders from a financial point of view than the merger, after taking into account (a) the legal, financial, regulatory or other aspects of such proposal, (b) the likelihood and timing of consummation (as compared to the transactions contemplated by the merger agreement) and (c) any changes to the terms of the merger agreement proposed by Alipay and any other information provided by Alipay.

Change of Recommendation

Other than in connection with a Company acquisition proposal, prior to the time the MoneyGram Stockholder Approval is obtained, our board of directors may make a change of recommendation if and only if:

prior to taking such action, our board of directors determines in good faith, after consultation with the our outside legal and financial advisors, that failure to take such action would be inconsistent with its fiduciary duties to MoneyGram's stockholders under applicable law;

MoneyGram provides Alipay prior written notice of MoneyGram's intention to make a change of recommendation, which notice will specify in reasonable detail the reasons for such change of recommendation;

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for at least four business days after Alipay's receipt of such notice referred to in the bullet immediately above, MoneyGram has negotiated, and has caused its financial and legal advisors (and other representatives) to negotiate, with Alipay in good faith (to the extent Alipay desires to negotiate) to make such adjustments in the terms and conditions of the merger agreement in such a manner that the failure to make a change of recommendation would no longer be reasonably likely to be a violation of our board of directors' fiduciary duties under applicable law; and

at the end of the period referred to in the bullet immediately above, our board of directors has concluded in good faith (after consultation with our outside legal and financial advisors) that failure to make a change of recommendation would be inconsistent with its fiduciary duties under applicable law after giving effect to all of the adjustments which may be offered by Alipay pursuant to the bullet immediately above.

Nothing contained in the merger agreement prevents MoneyGram or our board of directors from (i) taking and disclosing a position contemplated by Rule 14e-2(a) under the Exchange Act or complying with the provisions of Rule 14d-9 promulgated under the Exchange Act with respect to a Company acquisition proposal or (ii) making any disclosure to Mone