

## **MOLINA HEALTHCARE, INC.**

### **CODE OF BUSINESS CONDUCT AND ETHICS**

The Board of Directors of Molina Healthcare, Inc. has adopted this Code with respect to the business conduct and practices governing the affairs of Molina Healthcare, Inc. (the “Company”). This Code governs the manner in which the Company’s employees, officers, and directors conduct business activities on behalf of the Company.

The Company’s continued success will be directly related to our ability to deliver quality services and the ability of our employees, officers, and directors to conduct themselves in accordance with high standards of business ethics and the law.

Every employee, officer, and director must be familiar with it and adhere to it at all times. Any employee, officer, or director in doubt about any aspect of this Code should contact his immediate supervisor, the Compliance Department, or the Company’s General Counsel.

The following Code is applicable and binding upon all employees, officers, and directors of the Company.

Unless the context otherwise requires it, wherever a reference to “employee” is made hereafter, this means a reference to a “director, officer, or employee” of the Company.

1. Use of Funds and Assets; Corporate Opportunities; Complete and Accurate Books and Records
  - 1.1 Provision of the Company’s services, and purchases of products and services or supplies, shall be made solely on the basis of quality, price, and service, and never on the basis of giving or receiving payments, gifts, entertainment, or favors.
  - 1.2 No Company funds or assets shall be used for any unlawful purpose. No employee shall obtain privileges or special benefits through payment of bribes, illegal political contributions, or other illicit payments.
  - 1.3 Employees owe a duty to the Company to advance the Company’s interest when the opportunity to do so arises. Employees are prohibited from:
    - a. Taking for themselves personally opportunities that are discovered through the use of Company property, information, or position;
    - b. Using Company property, information, or position for personal gain; and

c. Competing with the Company.

- 1.4 No undisclosed or unrecorded fund or asset shall be established for any purpose.
- 1.5 No false or artificial entry shall be made in the books and records of the Company for any reason, and no employee shall engage in any arrangement that results in such prohibited act, even if directed to do so by his or her supervisor.
- 1.6 All requests for payment shall be supported by a document stating the purpose for the payment. No payment shall be approved or made with the agreement or understanding that any part of such payment shall be used for any purpose other than that described by documents supporting the payment.
- 1.7 The Chief Accounting Officer shall have the primary responsibility to devise, establish, and maintain an effective system of internal accounting controls and to demonstrate that such controls are documented and periodically appraised.
- 1.8 The following activities are strictly prohibited by this Code:
  - a. Offering, promising, or paying money or anything of value to any government employee or official, political party official, or any candidate for political office for any of the following purposes:
    - Obtaining or retaining business for the Company;
    - Directing business to any person or entity;
    - Influencing any act or decision of such official in his or her official capacity;
    - Inducing such official to do or refrain from doing any act in violation of his or her lawful duty; or
    - Inducing such official to use his or her influence improperly to affect or influence any act or decision.
  - b. Causing, either directly or indirectly, an offer, promise, or payment as described above to be made through a third party or intermediary.

2. Conflicts of Interest

- 2.1 Every employee has a duty to avoid business, financial, or other direct or indirect interests or relationships that conflict with the interests of the Company or that divide his or her loyalty to the Company. Any activity that even appears to present such a conflict must be avoided or terminated

unless, after seeking advice from the General Counsel, it is determined that the activity is not unlawful, harmful to the Company, or otherwise improper.

2.2 A conflict or the appearance of a conflict of interest may arise in many ways. For example, depending on the circumstances, the following may constitute a conflict of interest:

- Ownership of or an interest in a competitor or in a business with which the Company has or is contemplating a relationship (such as a provider, member, landlord, distributor, licensee/licensor, etc.), either directly or indirectly such as through family members.
- Profiting or assisting others to profit from confidential information or business opportunities that are available because of employment by the Company.
- Providing services to a competitor or a current or proposed contractor or subcontractor as an employee, director, officer, partner, agent, or consultant.
- Influencing or attempting to influence any business transaction between the Company and another entity in which an employee (or a member of employee's family) has a direct or indirect financial interest or acts as a director, officer, employee, partner, agent, or consultant.
- Buying or selling securities of the Company or any other company using non-public information obtained in the performance of an employee's duties, or providing such information so obtained to others.

Loans to employees from financial institutions that do business with the Company are permissible as long as the loans are made on prevailing "fair market value" terms and conditions.

Accepting gifts, hospitality, and rewards from contractors, suppliers, organizations, and individuals may make it difficult to avoid some obligation to the party offering it, and may later be thought to have affected an employee's impartiality in dealing with that party. Therefore, any such gifts or rewards must be accepted with discretion.

Similarly, it is our policy to exercise discretion in offering gifts or hospitality to customers, suppliers, or any other parties.

The following comments indicate the Company's guidelines on such matters:

a. Receiving Gifts and Hospitality:

In general, it is acceptable to receive small gifts of modest value (e.g., pens, calendars, holiday baskets), particularly if they bear a company's name or insignia and can thus be regarded as being in the nature of advertising matter.

It is not always possible or even desirable to reject modest offers of hospitality and the decision to accept or not depends on the circumstances in each case. Invitations to receptions, luncheons, sports outings, and the like may be accepted if it is felt to be useful to the Company to make contacts, discuss business, or otherwise promote the interests of the business.

b. Giving Gifts and Hospitality

The guidelines above apply equally to gifts or hospitality given by the Company's employees to others, and modest expenditures should be approved in advance by the General Counsel.

2.3 Any employee who has questions about whether a particular situation in which he or she is involved amounts to a conflict of interest or the appearance of one should disclose the pertinent details, in writing, to his or her supervisor. Each supervisor is responsible for discussing the situation with the employee and arriving at a decision after consultation with the General Counsel, or in his absence the Chief Executive Officer.

3. Protecting the Company's Assets

3.1 The Company has a variety of assets, many of them of substantial value. They include but are not limited to physical things as well as proprietary information that may encompass intellectual property and confidential data. Protecting all these assets against loss, theft, and misuse is vitally important.

3.2 Each employee is responsible for protecting the Company's property entrusted to him or her and for helping to protect the Company's assets in general. Should you observe any situation that could lead to the loss, misuse, or theft of Company assets, you should report the situation to your supervisor as soon as possible.

#### 4. Proprietary Information

- 4.1 Proprietary information is usually confidential. It includes, among other things, business, financial, marketing plans associated with the Company's services, know-how and processes, business plans, personnel and salary information, patient information, and copyright material associated with our services.
- 4.2 You must not use or disclose the Company's proprietary information except as authorized by the Company. Similarly, the Company's employees are prohibited from misappropriating the confidential or proprietary information of the Company's competitors.
- 4.3 Inadvertent disclosure by employees can also harm the Company's interest. You should not discuss confidential information even with authorized persons within the Company if you are in the general presence of others, i.e. at a trade show, reception, or in an airplane. Please keep in mind that harmful disclosure can start with the smallest leak, since bits of information may be pieced together with fragments from other sources to form a fairly complete picture. Further, you should not discuss such information with individuals within the Company who are not authorized to receive such information.
- 4.4 If questioned by someone from outside the Company about the Company's confidential information, do not attempt to answer unless you are certain you are authorized to do so. If you are not authorized, refer the person to the appropriate company officer.
- 4.5 If you retire or leave the Company, you may not disclose or misuse the Company's confidential information. Furthermore, the Company's ownership of intellectual property that you created while a Company employee continues after you leave the Company.

#### 5. Compliance With Laws Governing our Business

The Company's business is subject to extensive laws and regulations. Each employee is subject to the Company's Compliance Plan with respect to laws and regulations governing our business.

Each employee is also subject to the Company's Insider Trading Policy with respect to laws and policies respecting transactions in the Company's securities and the securities of other companies.

If an employee has any question whether a transaction or course of conduct complies with applicable statutes or regulations, the Compliance Plan, or the Insider Trading Policy, it is the responsibility of that employee to contact the

Compliance Department, or to obtain legal advice from the General Counsel and to act in accordance with that advice.

6. Speaking Out

When speaking out on public issues, each employee should ensure that he or she does so as an individual and does not give the appearance of speaking or acting on the Company's behalf, unless specifically authorized by the Company to do so.

7. Responsibilities of Employees

7.1 All employees are responsible for complying with this Code. Any employee having information concerning any prohibited act, including any fraud, waste and abuse concerns, shall promptly report such matter to his or her supervisor or the Compliance Officer. The Company will not allow retaliation for reports made in good faith.

7.2 All employees are expected to provide full assistance and disclosure to the Company's internal and external auditors and lawyers in connection with any review of compliance with this Code.

7.3 All employees are expected to endeavor to deal fairly with the Company's regulators, providers, members, competitors, and employees. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of relevant facts, or any other unfair dealing or practice.

7.4 All employees are expected to adhere to privacy rights of patients including all applicable rules and regulations associated with the Health Insurance Portability and Accountability Act of 1996, as amended (HIPAA).

8. Responsibilities of Executives

The Company's executive team, including the Chief Executive Officer and the Executive Vice Presidents (each, an "Executive" and, collectively, the "Executives") are required to observe the highest standards of ethical business conduct, including strict adherence to this Code and the letter and spirit of the following:

8.1 Each Executive will act at all times honestly and ethically, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships. For purposes of Section 8 of this Code, the phrase "actual or apparent conflict of interest" shall be broadly construed and include, for example, direct conflicts, indirect conflicts, potential conflicts, apparent conflicts, and any other personal, business, or

professional relationship or dealing that has a reasonable possibility of creating even the mere appearance of impropriety.

- 8.2 Each Executive shall, within his or her areas of responsibility, cause to be taken reasonable and necessary steps to provide full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with or submits to the Securities and Exchange Commission, and in all other regulatory filings. In addition, each Executive must provide full, fair, accurate, and understandable information whenever communicating with the Company's stockholders or the general public.
- 8.3 It is each Executive's responsibility to notify promptly the General Counsel or Chairman of the Board regarding any actual or potential violation of this Code by any Executive or any employee. It is the duty of the General Counsel or the Chairman of the Board of Director to cause to be conducted a thorough investigation of the alleged violation by an appropriate disinterested party. All Executives are responsible for ensuring that his or her own conduct complies with this Code.

9. Waivers

The Board of Directors of the Company shall be responsible for the administration of this Code and shall have the sole authority to grant waivers of its provisions. Any explicit or implicit waiver of a provision of this Code with respect to an Executive or a member of the Board of Directors shall be promptly disclosed to the public in a Current Report on Form 8-K filed with the Securities and Exchange Commission.

10. Reporting Violations

Employees, Executives, and members of the Board of Directors must report violations of law and/or the Company's policies, including non-compliance with respect to fraud, waste and abuse laws and/or policies, to the Compliance Department or to the General Counsel.