

MOLINA HEALTHCARE, INC.
**CORPORATE GOVERNANCE AND NOMINATING
COMMITTEE CHARTER**

PURPOSE

The Corporate Governance and Nominating Committee's purposes shall include but not be to:

- Identifying and recommending qualified nominees for election to the Board of Directors and its committees, consistent with criteria approved by the Board of Directors.
- Development and oversight of corporate governance processes, including oversight of the evaluation of the Board of Directors and executive officers.

COMPOSITION AND QUALIFICATIONS

The Corporate Governance and Nominating Committee (the "Committee") shall be appointed by the Board of Directors and shall be comprised of three or more Directors (as determined from time to time by the Board of Directors), each of whom shall meet the independence requirements of the Sarbanes-Oxley Act of 2002 and the New York Stock Exchange, Inc. The Board of Directors may, by majority vote, remove members of the Corporate Governance and Nominating Committee.

RESPONSIBILITIES AND POWERS

The Committee's responsibilities include but are not limited to:

1. Corporate Governance

General

- Recommending to the Board of Directors ways to enhance services to, and improve communications and relations with, the Company's stockholders.
- Considering matters of corporate governance and conducting annual reviews of the Committee's Charter, the Company's Corporate Governance Guidelines, and the Company's Code of Business Conduct and Ethics.
- Providing regular reports of its activities to the Board of Directors.

2.11.04

Board Oversight

- Evaluating the effectiveness of the Board of Directors and recommending to the Board of Directors ways to improve effectiveness in the corporate governance of the Company.
- Establishing evaluation criteria for reviews of each Director and evaluating each Director's performance and compensation.
- Developing programs for continuing education for all Directors and for the orientation of new Directors.
- Developing, in consultation with the Chief Executive Officer, a yearly schedule of regular Board meetings (i.e. dates and locations) and agendas for those meetings, for recommendation to and adoption by the Board.
- Evaluating each request for a waiver of the application of the Company's Code of Business Conduct and Ethics and reporting the Committee's findings and recommendations to the full Board of Directors.
- Monitoring the functions of the committees of the Board of Directors and causing to be conducted annual evaluations of each committee's performance and contributions to the Company.
- Considering questions of possible conflicts of interest of Directors and of the Company's executives and resolving these issues with respect to Directors.
- Determining the standing of Directors for election to outside boards of directors.
- Evaluating the independence of Directors who experience changes in their employment or business.
- Making recommendations to the Board of Directors regarding the size and composition of the Board of Directors.

Management Oversight

- Reviewing annually with the Chairman and Chief Executive Officer the succession plans concerning those positions.
- Nominating officers for election by the Board of Directors.
- Overseeing the evaluation of executive officers.

2. Nominations

- Developing the criteria and qualifications for membership on the Board of Directors.
- Considering, recommending and recruiting candidates to fill new positions on the Board of Directors.
- Reviewing Director candidates recommended by a Board member, the Chief Executive Officer or an independent advisor retained by the Committee or the Board for that purpose.
- Conducting appropriate inquiries into the backgrounds and qualifications of possible Director candidates.
- Recommending Director nominees for approval by the Board of Directors and the stockholders.
- Recommending Director nominees for appointment to committees of the Board of Directors and/or committee chair positions.

The Committee shall have authority to engage a search firm to be used to identify director candidates, as well as such other advisors as the Committee deems necessary to carry out its duties. The Committee shall have sole authority to approve fees and engagement terms relating to any such engagement.

MEETINGS

The Committee shall meet at least two times annually or more frequently if circumstances dictate. Two members shall constitute a quorum. A majority of the members present may decide any question brought before the Committee. At the discretion of the Committee, the non-voting management liaison to the Committee designated by the Board of Directors shall attend Committee meetings.

The Committee's responsibilities and powers as delegated by the Board of Directors are set forth in this Charter. The Committee relies to a significant extent on information and advice provided by management and independent advisors.