



WHEREAS: According to public data collected by OpenSecrets.org, Molina Healthcare Inc. and its employee PAC have ranked in the top 3% of political donors in every election cycle since 2016.¹

As the Supreme Court has explained, transparency in corporate electoral spending “permits citizens and shareholders to react to the speech of corporate entities in a proper way” by providing “shareholders and citizens with the information needed to hold corporations and elected officials accountable.”²

Greater political spending transparency is associated with “better internal corporate decision-making” and “facilitates a positive relationship between corporate political spending and future financial performance.”³

By contrast, political donations to candidates that do not fully align with a company’s stated values and commitments may create long-tail reputational risks to the Company when recipients engage in polarizing political acts. The impacts on a company may include difficulties in recruiting and retaining talented employees, shareholder dissatisfaction, and public backlash and boycotts.⁴

Despite its high levels of political spending, Molina does not publicly disclose a policy on corporate political spending or its direct contributions to candidates, parties, and committees. According to the 2022 CPA-Zicklin Index of Corporate Political Disclosure and Accountability, an annual benchmarking of election-related spending transparency, Molina has a score of “0,” as it provides no relevant disclosures.⁵

Molina also does not disclose any information or policies regarding misalignment between its political spending and the Company’s strategic and operational needs or stated values. Investors are unable to determine if Molina is directing its significant political expenditures in a way that is consistent with the Company’s strategic needs, values, or interests. Nor can investors assess how the Company will address potential impacts stemming from misalignment. Clear policies and reporting on Molina’s political

¹ <https://www.opensecrets.org/orgs/molina-healthcare/summary?id=D000027692> (704/31,955)

² https://www.fec.gov/resources/legal-resources/litigation/cu_sc08_opinion.pdf, p. 55

³ <https://www.sciencedirect.com/science/article/abs/pii/S0929119918301135>

⁴ https://www.americanbar.org/groups/crsj/publications/human_rights_magazine_home/economics-of-voting/the-implications-of-corporate-political-donations/

⁵ <https://www.politicalaccountability.net/wp-content/uploads/2022/10/2022-CPA-Zicklin-Index.pdf>, p.61



spending would provide investors with assurance that the inherent risk associated with political spending is being well managed.

BE IT RESOLVED: Shareholders request the Board annually report, at reasonable expense, on Molina Healthcare’s political and electioneering expenditures, identifying and analyzing any potential incongruence between such expenditures and its stated values and policies. The report should state whether Molina has made or plans to make changes in contributions or communications as a result of identified incongruencies.

SUPPORTING STATEMENT: Proponents recommend, at management discretion, that Molina include in its analysis metrics that illuminate the degree to which political contributions align with the Company’s stated strategy and values and its policy priorities year over year and present such metrics in the aggregate. Proponents further recommend the report contain management’s analysis of political spending risks to our Company’s brand, reputation, or shareholder value that might arise from spending from the corporate treasury or from its PACs during the year, directly or through third parties, which are reasonably susceptible to interpretation as being in support of or in opposition to a specific candidate.