

**CHARTER FOR THE COMPENSATION COMMITTEE  
OF THE BOARD OF DIRECTORS  
OF  
NETFLIX, INC.**

**I. PURPOSE**

The purpose of the Compensation Committee of the Board of Directors (the "Board") of Netflix, Inc., a Delaware corporation (the "Company") shall be to review and approve all forms of compensation to be provided to the executive officers and directors of the Company.

The Compensation Committee has the authority to undertake the specific duties and responsibilities listed below and will have the authority to undertake such other specific duties as the Board may from time to time prescribe.

**II. STATEMENT OF PHILOSOPHY**

The Company's philosophy in setting its compensation policies for executive officers is to attract and retain key executive talent that maximizes shareholder value over time. The Compensation Committee believes that executive officers should have sufficient equity or equity-linked compensation so as to align the interests of executive officers with those of the Company's shareholders.

**III. MEMBERSHIP**

The Compensation Committee shall consist of a minimum of two directors of the Company as such members are appointed from time to time by the Board and such members shall serve at the discretion of the Board. The members shall be "non-employee directors" within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and shall also be "outside directors" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended.

In addition, the members of the Compensation Committee shall meet the independence requirements of the Nasdaq Stock Market, including any enhanced independence requirements under the rules of the Nasdaq Stock Market related to compensation committee members (except to the extent that the Company has chosen to avail itself of the "exceptional and limited circumstances" exemption from Nasdaq's independence requirement, as set forth in Nasdaq Listing Rule 5605(d)(3)).

#### **IV. SCOPE OF RESPONSIBILITIES**

The responsibilities of the Compensation Committee include:

1. Reviewing and approving the compensation and compensation policy for executive officers of the Company, and such other employees of the Company as directed by the Board;

2. Reviewing and approving all forms of compensation (including all "plan" compensation, as such term is defined in Item 402(a)(6)(ii) of Regulation S-K promulgated by the Securities and Exchange Commission, and all non-plan compensation) to be provided to the executive officers of the Company. The chief executive officer shall not be present during voting or deliberations on his or her compensation;

3. Acting as the administrator (with all powers specified in the applicable plan) of each of the Company's (i) 2002 Employee Stock Purchase Plan, (ii) 2002 Stock Plan, (iii) 2011 Stock Plan, (iv) Performance Bonus Plan and (v) such other plans as may be enacted by the Company (collectively, the "Plans"). The Compensation Committee may (i) grant stock options and stock purchase rights and other awards to individuals eligible for such grants, including grants to individuals subject to Section 16 of the Exchange Act in compliance with Rule 16b-3 promulgated thereunder, and (ii) amend such stock options and stock purchase rights and other awards. The Compensation Committee shall also make recommendations to the Board with respect to amendments to the Plans and changes in the number of shares reserved for issuance under each equity Plan;

4. Reviewing and making recommendations to the Board regarding other plans that are proposed for adoption or adopted by the Company for the provision of compensation to employees of, directors of and consultants to the Company;

5. Preparing a report (to be included in the Company's proxy statement) which describes: (i) that the Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management and (ii) that based on the review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in the Proxy Statement and incorporated into the Company's Annual Report; and

6. Authorizing the repurchase of shares from terminated employees pursuant to applicable law;

7. Reviewing and reassessing the adequacy of this Charter periodically, as appropriate and no less than annually, and making recommendations to the Board for any proposed changes; and

8. The Compensation Committee shall have the authority, in its sole discretion, to retain or obtain the advice of a compensation consultant, legal counsel or other adviser. The Compensation Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel

and other adviser retained by the Compensation Committee. The Compensation Committee may select a compensation consultant, legal counsel (other than in-house counsel) or other adviser only after taking into consideration the following factors, as well as any other factors identified by NASDAQ: (1) the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser; (2) the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser; (3) the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest; (4) any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Compensation Committee; (5) any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and (6) any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company. Nothing herein shall require any compensation consultant, legal counsel or other adviser to be independent, only that the Compensation Committee consider the six independence factors enumerated above before selecting, or receiving advice from, such a compensation adviser. However, the Compensation Committee is not required to consider the foregoing factors if the compensation consultant, legal counsel or other adviser's services are limited to consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors and that is generally available to all salaried employees or providing information that is either not customized for the Company or that is customized based on parameters that are not developed by the adviser, and about which the adviser does not provide advice.

9. The Compensation Committee may delegate authority to one or more directors or subcommittees or to members of management, to the extent permitted by applicable law and as the Compensation Committee deems appropriate.

## **V. MEETINGS**

The Compensation Committee shall meet at least one time each year. The Compensation Committee may establish its own meeting schedule.

## **VI. MINUTES**

The Compensation Committee shall maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

## **VII. REPORTS**

The Compensation Committee will provide reports to the Board from time to time, as appropriate, regarding recommendations of the Compensation Committee submitted to the Board for action, and copies of the written minutes of its meetings.

## **VIII. FUNDING OF THE COMPENSATION COMMITTEE'S FUNCTIONS**

The Company shall provide appropriate funding (as determined by the Compensation Committee) for the Compensation Committee in its capacity as a committee of the Board in such amounts as determined by the Compensation Committee for payment of reasonable compensation to a compensation consultant, legal counsel or any other adviser retained by the Compensation Committee.