



Compensation Committee Charter

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 non-employee 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 non-employee director 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.

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)(7) 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;
3. Acting as Administrator (as defined therein) of each of the Company's (i) 1997 Stock Plan, (ii) 2002 Employee Stock Purchase Plan, (iii) 2002 Stock Plan and (iv) 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 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. 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 the each 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 upcoming Annual Report ; and
6. Authorizing the repurchase of shares from terminated employees pursuant to applicable law.

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.