April 11, 2017

Jay Hoag
Lead Independent Director
Netflix, Inc.
100 Winchester Circle
Los Gatos, CA 95032

Dear Mr. Hoag,

As global investors managing a combined US$297 billion in assets and substantial Netflix shareholders, we are writing to encourage the board to honor the mandate given by a majority of its shareholders with respect to the adoption of several governance reforms. As long-term shareholders, we appreciate the outstanding performance Netflix has achieved over the past few years, but this positive performance does not justify ignoring the will of a majority of shareholders. Additionally, we ask that the board replace Richard Barton who failed to garner majority support at his last re-election. This should be done through a robust search process designed to recruit a diverse group of candidates qualified to navigate our company through its next phase of growth.

For the past six years, the board has persistently ignored the will of its shareholders by failing to adopt an incredible 17 resolutions that received overwhelming support from shareholders. The proposed governance reforms: board declassification, majority voting for director elections, shareholder approval of poison pills, independent chairman, elimination of supermajority vote requirements, right to call special meetings, and proxy access, embody basic principles of good governance and are commonplace at Netflix's peers in the S&P 500. Further, the board does not acknowledge these high votes directly in the proxy materials or justify its continued approach in the face of shareholders' desire for change.

The board's approach to director elections is also concerning as failed directors have been repeatedly allowed to remain on the board. Currently, Richard Barton serves on the board in spite of having received the support of less than a majority of shareholders at his last re-election in 2015. Similarly, after the 2013 election, Leslie Kilgore stayed on as a director after receiving less than 50% of the vote.

Along with the failure to respond to majority shareholder votes, we are concerned with the insularity of this board. In recruiting new directors, the board does not seem to cast a wide enough net, sourcing directors only from Silicon Valley, making it part of an industry culture criticized for being overly homogenous. Interconnections permeate the board with multiple directors having overlapping directorships or executive positions. Furthermore, it is striking that an international entertainment company with a diverse audience lacks racial diversity on its board. An increasing number of studies show that greater diversity brings a variety of perspectives and approaches to problem solving which can lead to better decision making and enhance board effectiveness. While such narrow recruitment may be typical of a start-up firm, Netflix has grown well beyond this stage and should have a board more reflective of a publicly traded company of its size.

In closing, we want to congratulate Netflix for the outstanding performance, and we believe restoring board accountability at Netflix is imperative to its continued success. We would like the Netflix board to discuss our requests with representatives of the undersigned investors and would appreciate a response by April 24th. To coordinate a discussion, please contact: Etelvina Martinez at 202-721-6077 or Etelvina.martinez@ctwinvestmentgroup.com.

Sincerely,

Bill Dempsey
Chair, SEIU Master Trust

Valerie Heinonen, o.s.u.
Director, Shareholder Advocacy
Ursuline Sisters of Tildonk, U.S. Province
Dominican Sisters of Hope

Jeffery W. Perkins
Executive Director
Friends Fiduciary Corporation

Tobias Read
Oregon State Treasurer

Anne Sheehan
Director of Corporate Governance
California State Teachers' Retirement System

Dieter Waizenegger
Executive Director
CtW Investment Group