

AMENDED AND RESTATED CHARTER OF THE AUDIT COMMITTEE
APPFOLIO, INC.

ADOPTED BY THE BOARD ON JULY 16, 2020

Amended and Restated Charter of the Audit Committee

AppFolio, Inc.

I. Purpose

The purpose of the Audit Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of AppFolio, Inc. (the “*Company*”) is to assist the Board with respect to the Board’s overall responsibility to provide oversight of:

- (i) the Company’s accounting and financial reporting processes, including preparation of financial statements and other financial information provided by the Company to its stockholders and others;
- (ii) the auditing, accounting and financial reporting processes and systems of internal control that are conducted by the Company’s independent auditor, the Company’s internal audit function (to the extent that the Company has such function) and the Company’s financial and senior management;
- (iii) the qualifications, independence and performance of the Company’s independent auditor;
- (iv) compliance with legal, regulatory and public disclosure requirements;
- (v) communications among the Company’s independent auditor, the Company’s financial and senior management, and the Board; and
- (vi) any other matters delegated to the Committee by the Board as set forth in the Matrix attached to the Board Oversight of Risk Management and Compliance Memorandum (the “Oversight Memo”).

II. Membership

The Committee shall consist of three or more members of the Board, with the exact number determined by the Board. Each member of the Committee must (a) be an “independent director” as defined under the listing rules of the national securities exchange on which the Company’s securities are listed for trading, (b) satisfy the independence requirements applicable to the Committee members set forth in the rules and regulations promulgated by the Securities and Exchange Committee (the “SEC”), (c) not have participated in the preparation of the financial statements of the Company at any time during the past five years, (d) be free from any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment as a Committee member, and (e) meet any other requirements imposed by applicable laws, rules, regulations and listing standards, subject to any applicable exemptions and transition provisions.

Additional requirements relating to membership are:

- (i) each member of the Committee shall be able to read and understand financial statements, including the Company’s balance sheet, income statement and cash flow statement;
- (ii) at least one member of the Committee shall have prior experience in accounting, financial management, financial oversight, requisite professional certification in accounting, or any other comparable experience or background, and qualify as a “financial expert” as defined under the rules promulgated by the SEC; and

- (iii) no member may be a member of more than three public company audit committees (including this Committee) unless the Board has determined that doing so will not impair the member's ability to serve effectively on this Committee, which determination is properly disclosed in the Company's annual proxy statement.

The members of the Committee shall be appointed by and serve at the discretion of the Board. Committee members may be removed, without cause, by the affirmative vote of the majority of the Board at any time. Any Committee member may resign effective upon giving oral or written notice to the Chairperson of the Board (unless the notice specifies a later time for the effectiveness of such resignation). In the event that there is no Chairperson of the Board, the notice of resignation shall be delivered to the full Board. Vacancies occurring on the Committee shall be filled by the Board upon recommendation of the Nominating and Corporate Governance Committee.

The Board may designate a Chairperson of the Committee. In the absence of that designation, the Committee may designate a Chairperson by majority vote of the Committee members. The Chairperson will set the agenda for Committee meetings and conduct proceedings of those meetings.

III. Responsibilities

In order to fulfill the Committee's purposes of the Charter as provided in Article I, the responsibilities of the Committee are separated into six categories:

A. Selection, Performance and Independence of Independent Auditor

The Committee shall:

- (i) be directly responsible for the selection, retention, compensation and termination of the Company's independent auditor, (a) who will be engaged for the purpose of preparing and issuing an audit report, and performing other audit, review or attest services for the Company as approved by this Committee, and (b) who will report directly to the Committee;
- (ii) be directly responsible for oversight of the work of the independent auditor, including resolution of any disagreements between management and the independent auditor regarding financial reporting;
- (iii) evaluate the independent auditor's qualifications, performance and independence and assure the regular rotation of the audit partners as required under the rules promulgated by the SEC;
- (iv) review and assess the continuing independence of the Company's independent auditor in compliance with applicable laws, rules, regulations and accounting guidance, and, in this regard, (a) receive from the outside auditor a formal written statement delineating all relationships between the auditor and the Company, consistent with PCAOB Rule 3526, Communication with Audit Committees Concerning Independence, (b) actively engage in dialogue with the auditor with respect to any disclosed relationship or services that may impact the objectivity and independence of the auditor and (c) take, or recommend that the full Board take, appropriate action to oversee the independence of the outside auditor;
- (v) review and approve the independent auditor's annual audit plan; and

- (vi) review and discuss with management and with the independent auditor the Company's audited financial statements and the reports delivered to the Committee by the independent auditor, including:
 - critical accounting policies, estimates and practices used;
 - alternative treatments of financial information within generally accepted accounting principles;
 - the Company's disclosures under "Management's Discussion and Analysis of Financial Conditions and Results of Operations" prior to the filing of the Company's Annual Report on Form 10-K;
 - other material written communications between the independent auditor and Company management, such as any management letter or schedule of unadjusted differences;
 - any significant financial reporting issues that have arisen in connection with the preparation of such audited financial statements; and
 - any changes in accounting principles; and
- (vii) Approve the fees and other compensation to be paid to the independent auditor, and pre-approve all audit and non-audit related services of the independent auditor permitted by applicable laws, rules, regulations and listing standards, provided, however, that the Committee may, by unanimous approval set forth in a Committee resolution, establish pre-approval policies and procedures, as permitted by applicable laws, rules, regulations and listing standards, for the engagement of the independent auditor to render services to the Company, including, without limitation, policies that would allow the delegation of pre-approval authority to one or more members of the Committee provided that any such services that are so pre-approved must be reported to the full Committee at the next meeting.

B. SEC Filings, Financial Statements and Disclosures

The Committee shall:

- (i) review and discuss the Company's overall audit plan (both internal and external) with the independent auditor, management and any internal audit function that the Company may then have that is responsible for preparing the Company's financial statements;
- (ii) review and discuss with management the Company's quarterly and annual financial statements and any report or opinion by the independent auditor, prior to distribution to the public or filing with the SEC;
- (iii) discuss any items required to be communicated by the independent auditor in accordance with the applicable auditing guidance, including, among other things, the independent auditor's judgments about the quality and appropriateness of the Company's accounting principles, the reasonableness of significant judgments, the clarity of the disclosures in the Company's financial statements, any significant difficulties encountered during the course of the audit, and any restrictions on the scope of work or access to required information;

- (iv) discuss with management and the independent auditor any analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements;
- (v) recommend to the Board whether the annual financial statements should be included in the Company's Annual Report on Form 10-K;
- (vi) prepare the report of the Committee required by the rules of the SEC to be included in the Company's annual proxy statement;
- (vii) review and discuss with management earnings press releases and whether and to what extent earnings guidance and similar information shall be disclosed publicly by the Company;
- (viii) review and discuss with management and the independent auditor, prior to the filing of the Company's Quarterly Reports on Form 10-Q and Annual Report on Form 10-K:
 - the Company's quarterly and annual financial statements and the Company's related disclosures under "Management's Discussion and Analysis of the Financial Condition and Results of Operations";
 - such issues as may be brought to the Committee's attention by the independent auditor; and
 - any significant financial reporting issues that have arisen in connection with the preparation of the Company's quarterly and annual financial statements during the relevant period; and
- (ix) review and discuss the following:
 - adequacy of the Company's accounting and financial reporting process and systems of internal controls;
 - any significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting; and
 - any fraud involving management or any employee of the Company with a significant role in the Company's internal controls over financial reporting that is disclosed to the Committee.

C. Internal Controls

The Committee shall:

- (i) obtain and review, at least annually, a report by the independent auditor describing:
 - the independent auditor's internal quality control procedures;
 - any material issues raised by the most recent internal quality control review of the independent auditor or by any inquiry or investigation by governmental or professional authorities respecting one or more independent audits carried out by the independent auditor and any steps taken to deal with any such issues; and
 - all relationships between the independent auditor and the Company that may bear on the independence of the independent auditor;
- (ii) discuss any comments or recommendations of the independent auditor outlined in its annual management letter or internal control reports;

- (iii) establish procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and review any such complaints and submissions that have been received, including the current status and the resolution if one has been reached; and
- (iv) periodically consult with the independent auditor (without the presence of management) about internal controls, the completeness and accuracy of the Company's financial statements and any other matters that the Committee believes should be discussed with the Committee.

D. Internal Audit Function

The Committee shall:

- (i) require that the Company at all times have established and maintain an internal audit function to provide the Committee with ongoing assessments of the Company's system of internal controls, which internal audit function may, with the approval of the Committee, be outsourced to a third party service provider other than its independent auditor;
- (ii) review and approve the responsibilities of the internal audit function;
- (iii) review and approve (a) the size of the internal audit team, (b) the composition of the internal audit team and (c) the hiring, firing or reassignment of the internal audit team leader;
- (iv) assist the Board on its oversight of the performance of this internal audit function;
- (v) assure that the internal audit function team members are able to provide independent and objective assurance and advisory services;
- (vi) review and approve the form of report that the internal audit team shall prepare regarding the internal audit team's assessments of the Company's internal controls;
- (vii) meet periodically, but not less than quarterly, with the internal audit team, or the leader thereof, including to discuss the internal audit team's reports;
- (viii) discuss with the Company's independent auditor the internal audit function, including regarding the scope of responsibilities; and
- (ix) require that the internal audit team report directly to the Committee regarding internal audit function matters.

E. Risk Management and Assessment

The Committee shall, to the extent not covered above, review and discuss with management and, as appropriate, the independent auditor, those elements of the Company's risk

identification, assessment and management procedures, plans, processes and practices regarding the oversight responsibilities delegated to the Committee pursuant to the Oversight Memo.

F. Administration of Codes and Policies

The Committee shall administer those Codes and Policies of the Company as delegated to this Committee pursuant to such Codes and Policies.

IV. Authority to Retain Advisors

In performing its responsibilities, the Committee shall have the authority, in the Committee's complete discretion, to engage and obtain advice, reports or opinions from independent legal counsel and other advisors, as it determines necessary, to carry out its duties. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any legal counsel and other adviser retained by the Committee and, in this regard, the Committee will have sole authority to approve related fees and retention terms for any legal counsel and advisors retained by the Committee. The Company will provide the Committee with appropriate funding, as the Committee determines, for the payment of compensation to any legal counsel and other advisors as it deems appropriate.

V. Additional Audit Committee Authority

The Committee is authorized, on behalf of the Board, to do any of the following, as the Committee deems necessary or appropriate in its discretion:

- (i) review on a regular basis the status of any pending or threatened legal matters that could have a material adverse affect on the Company's financial statements;
- (ii) review (a) the fairness of, and make decisions regarding, any proposed transaction between the Company and any related persons that are brought to the attention of the Committee, in accordance with the Company's Related Party Transaction Policy and (b) any conflicts of interest arising under the Company's Code of Business Conduct and Ethics for Employees and Directors and make any decisions regarding any such conflicts;
- (iii) form and delegate authority to subcommittees consisting of one or more of its members as the Committee deems appropriate to carry out its responsibilities and exercise its powers (to the extent allowable under applicable laws, rules, regulations or listing standards);
- (iv) rely upon advice and information that it receives in its discussions and communications with management, the independent auditor and such advisors as may be engaged by the Committee;
- (v) request that any officer or employee of the Company, the Company's independent legal counsel, the Company's independent auditor, or any other advisor retained by the Company to render advice to the Company, attend a meeting of the Committee, or meet with any members of or advisors to the Committee, provided that the Committee shall retain the discretion to exclude any such person from all or a portion of any Committee meeting;
- (vi) perform other activities consistent with this Charter, the Company's Certificate of Incorporation and Bylaws (each as amended and in effect from time to time), and

- applicable laws, rules, regulations or listing standards as the Committee or the Board deems necessary or appropriate;
- (vii) have unrestricted access to Company personnel and documents, and to seek any information it requires from employees, officers, directors or external parties;
 - (viii) direct and supervise an investigation into any matters within the scope of its duties;
 - (ix) incur such expenses as are necessary or appropriate in carrying out its duties; and
 - (x) perform such other functions as may be requested by the Board from time to time.

VI. Annual Review of Charter

The Committee shall review and assess the adequacy of this Charter at least annually and recommend to the Board any amendments or modifications to the Charter that the Committee deems appropriate.

VII. Annual Performance Review

The Committee shall annually evaluate and assess the Committee's performance.

VIII. Meetings and Procedures

The Committee will meet at least once each quarter or more frequently, as determined appropriate by the Committee. The Committee will regularly report to the Board on significant matters related to the Committee's responsibilities, and as requested by the Board with respect to other matters. The Committee will maintain written minutes of its meetings and will make such minutes available to the Board.

The Committee will be governed by the same rules regarding meetings (including meetings by conference telephone or similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

IX. Limitations on Audit Committee Responsibilities

Notwithstanding the responsibilities and authority of the Committee set forth in this Charter, the Committee does not have the responsibility of planning or conducting audits of the Company's financial statements or determining whether the Company's financial statements are complete, accurate or prepared in accordance with GAAP. Such responsibilities are those of management and, to the extent of the independent auditor's responsibilities, those of the independent auditor. Each member of the Committee is entitled to rely on the integrity of those persons and organizations within and outside the Company that provides information to the Committee and the accuracy and completeness of the financial and other information provided to the Committee by such persons and organizations absent actual knowledge to the contrary. In addition, the members of the Committee are not independent auditors and the term "review" as used in this Charter is not intended to be interpreted to suggest that the members of the Committee can or should follow the procedures required of auditors performing a review of financial statements.