

AMENDED AND RESTATED CHARTER OF THE AUDIT COMMITTEE

APFOLIO, INC.

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 oversee the accounting and financial reporting processes of the Company and the audits of the Company’s financial statements.

The Committee’s principal functions are to:

- Oversee the integrity of the Company’s financial statements and other financial information provided by the Company to its stockholders and others;
- Monitor the periodic reviews of the adequacy of the auditing, accounting and financial reporting processes and systems of internal control that are conducted by the Company’s independent auditors, the Company’s internal audit function (to the extent that the Company has such function) and the Company’s financial and senior management;
- Oversee the qualifications, independence and performance of the Company’s independent auditors;
- Oversee compliance with legal, regulatory and public disclosure requirements;
- Facilitate communication among the Company’s independent auditors, the Company’s financial and senior management, and the Board;
- Prepare the report of the Committee required by the rules of the Securities and Exchange Commission (the “*SEC*”) to be included in the Company’s annual proxy statement; and
- Perform such other duties and responsibilities as are enumerated in and consistent with this Charter.

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 (1) 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, (2) satisfy the independence requirements applicable to the Committee members set forth in the rules and regulations promulgated by the SEC, (3) not have participated in the preparation of the financial statements of the Company at any time during the past five years, (4) 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 (5) 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:

- 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.

- 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.
- 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 Chairman of the Board (unless the notice specifies a later time for the effectiveness of such resignation). In the event that there is no Chairman 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.

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

III. Responsibilities and Authority

The following are general guidelines establishing the responsibilities and authority of the Committee. This list is not intended to be exhaustive, and the Committee may modify the list as appropriate, establishing policies and procedures as required or recommended to meet its purpose and carry out its principal functions.

A. Selection, Performance and Independence of Independent Auditors

The Committee shall:

1. Be directly responsible for the selection, retention, compensation and termination of the Company’s independent auditors, which is engaged for the purpose of preparing and issuing an audit report, and performing other audit, review or attest services for the Company. The independent auditors will report directly to the Committee.
2. Be directly responsible for oversight of the work of the independent auditors, including resolution of any disagreements between management and the independent auditors regarding financial reporting.
3. Evaluate the independent auditors’ qualifications, performance and independence. The Committee shall assure the regular rotation of the audit partners as required under the rules promulgated by the SEC.
4. Review and assess the continuing independence of the Company’s independent auditors in compliance with applicable laws, rules, regulations and accounting guidance. In this regard, the Committee shall (i) receive from the outside auditors a formal written statement delineating all relationships between the auditors and the Company, consistent with PCAOB Rule 3526, Communication with Audit Committees Concerning Independence, (ii) actively engage in dialogue with the auditors with respect to any disclosed

relationship or services that may impact the objectivity and independence of the auditors and (iii) take, or recommend that the full Board take, appropriate action to oversee the independence of the outside auditors.

5. Review and approve the independent auditors' annual audit plan.
6. Review and discuss with management and with the independent auditors the Company's audited financial statements and the reports delivered to the Committee by the independent auditors, including:
 - Critical accounting policies, estimates and practices used;
 - Alternative treatments of financial information within generally accepted accounting principles, the ramifications of adopting the alternatives, and the alternatives preferred by the independent auditors;
 - 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 auditors 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.
7. Approve the fees and other compensation to be paid to the independent auditors, and pre-approve all audit and non-audit related services of the independent auditors permitted by applicable laws, rules, regulations and listing standards. The Committee may establish pre-approval policies and procedures, as permitted by applicable laws, rules, regulations and listing standards, for the engagement of the independent auditors 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. However, any such services that are so pre-approved must be reported to the full Committee at the next meeting.

B. Financial Statements and Disclosures

The Committee shall:

1. Review and discuss the Company's overall audit plan (both internal and external) with the independent auditors, management and any internal audit function that the Company may then have that is responsible for preparing the Company's financial statements.
2. Review and discuss with management the Company's quarterly and annual financial statements and any report or opinion by the independent auditors, prior to distribution to the public or filing with the SEC.
3. Discuss any items required to be communicated by the independent auditors in accordance with the applicable auditing guidance. These discussions should include, among other things, the independent auditors' 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 and any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

4. Discuss with management and the independent auditors any analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements.
5. Recommend to the Board whether the annual financial statements should be included in the Company's Annual Report on Form 10-K.
6. Prepare the report of the Committee required by the rules of the SEC to be included in the Company's annual proxy statement.
7. 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.
8. Review and discuss with management and the independent auditors, 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 auditors; 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.
9. 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 by the Company's Chief Executive Officer or Chief Financial Officer.

C. Internal Controls

The Committee shall:

1. Obtain and review, at least annually, a report by the independent auditors describing:
 - The independent auditors' internal quality control procedures;
 - Any material issues raised by the most recent internal quality control review of the independent auditors or by any inquiry or investigation by governmental or professional authorities respecting one or more independent audits carried out by the independent auditors and any steps taken to deal with any such issues; and

- All relationships between the independent auditors and the Company that may bear on the independence of the independent auditors.
2. Discuss any comments or recommendations of the independent auditors outlined in their annual management letter or internal control reports.
 3. Establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and (ii) 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.
 4. Periodically consult with the independent auditors (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.

During such time as the Company has an internal audit function:

1. The internal audit function will report to the Committee.
2. The Committee is responsible for the hiring, firing or reassignment of the internal audit leader.
3. The Committee will review the findings of significant internal audits.
4. The Committee will review the budget, staffing and staff development plans annually.
5. The Committee will hold regular executive sessions with the internal audit leader.

D. Risk Management and Assessment

Review and discuss with management and, as appropriate, the independent auditors the Company's risk management and risk assessment guidelines and policies related to the Company's accounting and financial risk exposures and the steps taken by management to monitor and control these exposures.

E. 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.

F. Annual Performance Review

The Committee shall annually evaluate and assess its performance.

G. Authority to Retain Advisors

In performing its responsibilities, the Committee shall have the authority 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 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.

H. 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:

1. Review on a regular basis the status of any pending or threatened legal matters that could have a significant impact on the Company's financial statements.
2. Review (i) 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 (ii) 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.
3. 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).
4. Rely upon advice and information that it receives in its discussions and communications with management, the independent auditors and such advisors as may be engaged by the Committee.
5. Request that any officer or employee of the Company, the Company's independent legal counsel, the Company's independent auditors, 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.
6. 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.
7. Have unrestricted access to Company personnel and documents, and have authority to direct and supervise an investigation into any matters within the scope of its duties.
8. Incur such expenses as are necessary or appropriate in carrying out its duties.
9. Perform such other functions as may be requested by the Board from time to time.

IV. 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.

V. Limitations on Audit Committee Responsibilities

Notwithstanding the responsibilities and powers 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 auditors' responsibilities, those of the independent auditors. 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.