

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

Amended and Restated Charter of the Compensation Committee

AppFolio, Inc.

I. Purpose

The purpose of the Compensation Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of AppFolio, Inc. (the “*Company*”) is to oversee the compensation programs and strategy applicable to the Company’s directors and senior executives, and to administer the Company’s cash and equity-based compensation plans for directors, senior executives and employees. This Charter was amended and restated by the Board on March 8, 2015.

The Committee’s principal functions are to:

- Assist the Board in developing and reviewing compensation programs and strategy applicable to the Company’s directors and senior executives, and overseeing the Company’s overall compensation philosophy;
- Recommend to the Board for approval each component of compensation paid to the directors and senior executives;
- Administer the Company’s cash and equity-based compensation plans applicable to all of the Company’s directors, senior executives and employees in accordance with the terms of this Charter;
- Review and discuss with the Company’s management the tables and narrative discussion regarding executive officer and director compensation to be included in the Company’s public filings, including its annual proxy statement;
- Prepare the report of the Committee required by the rules of 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 two or more members of the Board, with the exact number to be determined by the Board. Each member of the Committee shall (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) be a “non-employee director” as defined in Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), (3) be an “outside director” as defined in Section 162(m) of the Internal Revenue Code of 1986, as amended, (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.

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. Compensation of the Chief Executive Officer and Other Senior Executives

The Committee shall:

1. Review the Company's compensation programs and strategy applicable to the Company's Chief Executive Officer ("**CEO**") and the Company's other senior executives, including the Company's "executive officers" (as defined under Section 16 of the Exchange Act and the rules promulgated thereunder) (together with the CEO, the "**Senior Executives**"), to ensure that the programs and strategy support the Company's overall compensation philosophy.
2. Review and recommend to the Board for approval each component of compensation paid to the Senior Executives, including base salary, cash incentive compensation, equity-based awards, perquisites and other benefits.
3. Review the Company and individual performance objectives that are deemed relevant to the compensation of the Senior Executives, and make recommendations to the Board regarding modifications to the performance objectives in light of the Company's overall compensation philosophy.
4. Review and recommend to the Board for approval the terms of any employment agreements, severance or change in control arrangements, or other compensatory arrangements with the Senior Executives.
5. Review and recommend to the Board for approval policies and procedures relating to benefits and perquisites paid to the Senior Executives.
6. Require that the CEO may not be present during voting or deliberations regarding his or her compensation and benefits, and that the other Senior Executives may not be present during voting or deliberations regarding their compensation and benefits.
7. Review and assess the Company's processes and procedures for the consideration and determination of executive compensation, and review and discuss with management any description of such processes and procedures to be included in the Company's public filings, including its annual proxy statement.
8. Consider whether the Company's compensation programs and strategy encourage undue or inappropriate risk taking by the Senior Executives and

other employees, and recommend procedures to mitigate risk where appropriate.

B. Cash and Equity-Based Compensation Plans

The Committee shall:

1. Recommend to the Board for approval grants of stock options, restricted stock, or other equity-based awards to the Senior Executives, including, where appropriate, recommending time and/or performance-based goals associated with the vesting of those awards after taking into consideration the Company's overall compensation philosophy. The Committee may also recommend that the Board delegate, to one or more Senior Executives, the authority to grant stock options, restricted stock or other equity-based awards to employees (other than Senior Executives), subject to such guidelines or limitations as the Board may adopt.
2. Evaluate and recommend to the Board for approval the amount of equity-based incentive compensation actually vested for the benefit of the Senior Executives based on achievement with respect to the Company and/or individual performance objectives established by the Board upon recommendation by the Committee.
3. Recommend to the Board for approval target and maximum cash incentive payments under the Company's cash incentive compensation plans, including, where appropriate, recommending time and/or performance-based goals associated with the achievement of those cash incentive payments after taking into consideration the Company's overall compensation philosophy.
4. Evaluate and recommend to the Board for approval the amount of cash incentive compensation actually earned by the Senior Executives based on achievement with respect to the Company and/or individual performance objectives established by the Board upon recommendation by the Committee.
5. Review and make recommendations to the Board with respect to the adoption and approval of, or amendments to, the Company's cash and equity-based incentive compensation plans, agreements and arrangements.
6. Administer and interpret the Company's cash and equity-based compensation plans, agreements and arrangements.

C. Disclosure of Executive Compensation and Compensation Committee Report

The Committee shall:

1. Review and discuss with management the tables and narrative disclosure regarding the Company's compensation policies and practices applicable to executive officers and directors to be included in the Company's public filings, including its annual proxy statement.
2. Prepare the report of the Committee required by the rules of the SEC to be included in the Company's annual proxy statement.
3. To the extent applicable to the Company, consider and determine, or make recommendations to the Board regarding, the frequency with which stockholder votes on executive compensation ("*say-on-pay*" votes) should

occur, consider the results of say-on-pay votes, and make such adjustments to the Company's compensation programs applicable to executive officers as it deems appropriate in response to say-on-pay votes.

D. 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.

E. Annual Performance Review

The Committee shall annually evaluate and assess its performance.

F. Authority to Retain Advisors

In performing its responsibilities, the Committee shall have the authority to engage and obtain advice, reports or opinions from compensation consultants, or 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 compensation consultant, legal counsel and other adviser retained by the Committee and will have sole authority to approve related fees and retention terms for any consultants 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 compensation consultant, legal counsel, and other advisors as it deems appropriate. The Committee may select, or receive advice or opinions from, a compensation consultant, legal counsel or other adviser to the Committee only after taking into consideration independence factors as required under the listing rules of the national securities exchange on which the Company's securities are listed for trading. In accordance with the applicable listing standards, the Committee shall at least annually review the independence of advisors to the Committee.

G. Additional Compensation 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. Annually review and make recommendations to the Board with respect to the compensation of all non-employee members of the Board, including compensation for service on committees of the Board.
2. Review and make recommendations to the Board regarding the Company's succession plans for the senior executives and other management positions, including reviewing contingency plans for a successor to assume the role of CEO.
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 and listing standards).
4. Periodically review the Company's procedures with respect to employee loans.

5. Rely upon advice and information that it receives in its discussions and communications with management and such advisors as may be consulted by the Committee.
6. Request that any officer or employee of the Company, the Company's outside legal counsel, or any other advisor retained by 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 any portion of any Committee meeting.
7. 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 and listing standards as the Committee or the Board deems necessary or appropriate.
8. Have unrestricted access to Company personnel and documents, and the authority to direct and supervise an investigation into any matters within the scope of its duties.
9. Incur such expenses as are necessary or appropriate in carrying out its duties.
10. 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 twice per year 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 shall 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.