

CODE OF BUSINESS CONDUCT AND ETHICS
FOR EMPLOYEES AND DIRECTORS

APPFOLIO, INC.

**Code of Business Conduct and Ethics
for Employees and Directors**

AppFolio, Inc.

I. Purpose of Code

AppFolio, Inc. (the “*Company*”) is committed to promoting high standards of ethical business conduct and compliance with applicable laws, rules and regulations. The Company adopted this Code of Business Conduct and Ethics for Employees and Directors (this “*Code*”) as part of this commitment. This Code shall apply to all of the Company’s employees, officers and directors (collectively, “*Employees*”). Certain agents and independent contractors of the Company may also be required

to read, understand and abide by this Code. This Code was adopted by the Company’s Board of Directors (the “*Board*”) on March 26, 2015.

This Code is designed to serve as a guide for all Employees in making ethical and legal decisions when conducting the Company’s business. The standards in this Code should be viewed as the minimum standards that the Company expects to be maintained by its Employees in the conduct of the Company’s business and the performance of their day-to-day duties. However, the ultimate responsibility for complying with applicable laws, conducting business in an ethical manner, and adhering to this Code, rests with you. It is imperative that you use your best judgment and that you ask questions where you are uncertain how to handle a particular situation.

This Code is not the exclusive source of guidance and information regarding conduct of the Company’s business. It is intended to supplement, and not to replace, existing Company policies and procedures. The Company may occasionally modify or update these more specific policies and procedures and adopt new Company policies and procedures in the future. Each Employee should consult applicable policies and procedures in specific areas as they apply. Nothing in this Code is intended to alter the existing legal rights and obligations of the Company or any of its Employees.

II. Administration of Code

The Board has delegated to its Audit Committee (the “*Audit Committee*”) the responsibility of administering this Code. The Audit Committee may from time to time recommend to the Board changes to this Code. All changes to this Code must be approved by the Board.

III. Responsibility to Comply

It is every Employee’s responsibility to read and understand this Code, and to use it as a guide to the performance of his or her responsibilities on behalf of the Company. Each Employee must, at a minimum, uphold these standards in the performance of his or her day-to-day duties and comply with all applicable policies and procedures in this Code.

This Code cannot address every ethical issue or circumstance that may arise during the conduct of the Company’s business. As a result, it is the obligation of each Employee not only to strictly comply with the terms of this Code, but to also comply with the spirit of this Code. In doing so, Employees must apply common sense, together with high personal standards of integrity, ethics and accountability, in making business decisions where this Code has no specific guideline. In

complying with this Code, Employees should also consider the conduct of their family members and others who live in their household.

Part of each Employee's responsibility to the Company is to help enforce this Code and encourage others to comply with this Code. Indeed, the Company expects all of its Employees to help engender a sense of commitment to this Code, and to continue to foster a culture of integrity, ethical conduct and accountability within the Company. Each Employee should be alert to possible violations and promptly report violations or suspected violations of this Code. In addition, in circumstances where an Employee is uncertain how to handle a particular ethical issue or circumstance, it is imperative that the Employee ask questions and seek guidance. Employees should seek guidance from, and report violations or suspected violations to, their direct supervisor or the Compliance Officer (see Section XI.C for additional information).

IV. General Standards and Conduct

A. Overview

Honest and ethical conduct is critical to our business and is part of who we are as a company. All Employees, agents and independent contractors have a duty to comply with applicable law and to act in an honest and ethical manner.

B. Compliance with law

The Company seeks to conduct its business in compliance with all applicable laws, rules and regulations, as well as the listing standards of the stock exchange on which the Company's securities are listed for trading. Employees shall not engage in any unlawful activity in conducting the Company's business. If an Employee believes that compliance with applicable law should ever conflict with this Code, the Employee should comply with applicable law and report any perceived conflict to his or her direct supervisor or the Compliance Officer.

It is essential that all Employees know and understand the legal and regulatory requirements that apply to the Company's business and, in particular, to their specific area of responsibility. While Employees are not expected to have complete mastery of these legal requirements, they are expected to be able to recognize situations that require them to consult with others to determine the appropriate course of action. In addition, Employees should be alert to violations of legal requirements by others and should report suspected or potential violations without fear of any form of retaliation.

C. No discrimination or harassment

The Company is committed to providing a work environment that is free of discrimination and harassment. The Company is an equal opportunity employer and makes employment decisions on the basis of merit and business needs. In addition, the Company strictly prohibits harassment of any kind, including harassment on the basis of race, color, veteran status, religion, gender, sexual orientation, age, mental or physical disability, medical condition, national origin, marital status or any other characteristics protected under applicable law.

D. Health and safety

Employees are responsible for using good judgment to help ensure a safe and healthy workplace for all Employees, agents and independent contractors.

V. Avoiding Conflicts of Interest

A. Overview

The Company recognizes and respects the right of its Employees to engage in outside activities, which they may deem proper and desirable, provided that these activities do not impair or interfere with the performance of their duties to the Company or their ability to act in the Company's best interest. Every Employee must avoid "***conflict of interest***" situations where loyalties may be divided between the Company's interests and the interests of the Employee or any affiliate or family member of the Employee. Employees should also seek to avoid the appearance of a conflict of interest. If an Employee is considering engaging in a transaction or activity that may present a conflict of interest or the appearance of a conflict of interest, the Employee should disclose the matter to his or her direct supervisor or the Compliance Officer, so that appropriate approvals can be obtained before the Employee engages in such transaction or activity.

In evaluating whether an actual or contemplated activity may involve a conflict of interest, an Employee should consider:

- whether the activity would create the appearance of impropriety to an outsider;
- whether the activity could interfere with the job performance or morale of the involved Employee or any other Employee;
- whether the involved Employee has access to confidential Company information that could be disclosed in the course of conducting the activity;
- whether the activity could result in an improper use of Company assets or resources;
- the potential impact of the activity on the Company's business relationships, including relationships with customers, suppliers, and other third parties; and
- the extent to which the activity could benefit the Employee (or any affiliate or family member of the Employee), directly or indirectly.

There are a variety of situations in which a conflict of interest may arise. Some common types of conflicts are addressed below.

B. Outside employment and directorships

Unless an Employee is a non-employee director of the Company, an Employee may not perform services as a director, officer, employee, agent or independent contractor for a customer, a supplier or any other entity that has a business relationship with the Company without approval from the Company. Non-employee directors of the Company must promptly inform the Board of any such service and shall not continue such service if the Board objects to it. An Employee of the Company may not perform services as a director, officer, employee, agent or independent contractor for any competitor of the Company or accept any payments or other benefits from a competitor. In particular, an Employee is strictly prohibited from passing confidential, nonpublic information to a competitor (see Section VII for additional information).

C. *Financial interests in other companies*

An Employee should not have a direct or indirect financial interest in any organization if that interest would give or appear to give to the Employee a conflict of financial interest with the Company.

In determining whether a conflict of financial interest exists, factors to consider (in addition to those discussed in Section V.A) include:

- the size and nature of the financial interest;
- the nature of the Company’s relationship with the other entity; and
- whether the Employee has an ability to influence Company decisions that would affect the other entity.

Any Employee who has or wishes to acquire a financial interest in a competitor, or in a customer, supplier or service provider with which he or she has direct business dealings, and that interest would give or appear to give that Employee a financial interest that conflicts with the Company’s financial interest, must consult with his or her direct supervisor or the Compliance Officer prior to undertaking any such transaction. Similarly, any Employee who experiences a change of position that results in direct business dealings with a customer, supplier or service provider in which he or she already has a significant financial interest must consult with his or her direct supervisor or the Compliance Officer to determine the appropriate course of action.

D. *Related Party Transactions*

The Company has a Related Party Transaction Policy that has been provided or made available to all employees. Employees are required to familiarize themselves with this Policy and to comply with it as it relates to all “related party transactions”, as defined therein.

E. *Corporate opportunities*

Employees owe a duty to the Company to advance its legitimate business interests when opportunities arise. Employees may not compete with the Company or take personal advantage of business opportunities that arise or are brought to their attention in the course of their service to the Company, unless they first disclose the opportunity to their direct supervisor or the Compliance Officer and obtain prior approval. Employees who are interested in the use of Company property or information, or in pursuing an opportunity that they discovered through their Company position, should consult with their direct supervisor or the Compliance Officer to obtain approval or determine another appropriate course of action. Even opportunities that are acquired through independent sources may be prohibited if they are related to the Company’s existing or proposed lines of business. Accordingly, participation by an Employee in an outside business opportunity that is related to the Company’s existing or proposed lines of business is prohibited unless specifically approved by the Compliance Officer.

Recognizing that directors may be employed by, serve as a director of, or invest in, businesses that relate to the Company’s existing or proposed lines of business, directors are encouraged to notify the Audit Committee of any such employment, directorship or investment and take appropriate steps to avoid or mitigate any conflicts of interest.

F. Loans by the Company

Loans from the Company to directors and executive officers are expressly prohibited by Company policy and by law during any time when the Company files reports with the Securities and Exchange Commission. Loans to other Employees (or their affiliates or family members) by the Company, or guarantees of their loan obligations, could constitute an improper personal benefit to the recipients of such loans or guarantees, and thus require the prior approval of the Audit Committee.

G. Improper benefits

Employees may not receive any improper gift or other benefits as a result of their position with the Company.

H. Election or appointment to public office

Employees may serve in an elected or appointed public office provided that the position does not create or appear to create a conflict of interest.

I. Guidance and approvals

Evaluating whether a conflict of interest exists, or may appear to exist, as a result of a particular set of circumstances requires the consideration of many factors, including, but not limited to, those discussed above. Employees are encouraged to seek guidance and approval in any case where the Employee has any questions or doubts about the appropriateness of a particular proposed transaction or relationship. The Company retains the discretion to approve or disapprove of any transaction or relationship that results, or could result, in a conflict of interest and to rescind any prior approval to avoid a conflict of interest.

VI. Financial Reporting

A. Overview

The Company is required to follow strict accounting principles and standards, to report financial information accurately and completely in accordance with these principles and standards, and to have appropriate internal controls and procedures to ensure that the Company's accounting and financial reporting complies with applicable law. We recognize that our various constituencies, including our stockholders, employees, customers, vendors, lenders and other business relationships, rely on the Company conducting business in an ethical manner and on the accuracy and completeness of the Company's financial information. In addition, the Company's financial information is important in guiding the decisions of the Board and management.

B. Compliance with rules, controls and procedures

It is important that all financial transactions are properly recorded and classified in our financial statements, books and records in accordance with our policies, controls and procedures, as well as all generally accepted accounting principles, laws, rules, regulations and standards relating to accounting and financial reporting. If an Employee has a responsibility for or any involvement in financial reporting or accounting, the Employee should have an appropriate understanding of, and should seek in good faith to adhere to, generally accepted accounting principles, laws, rules,

regulations and standards relating to accounting and financial reporting, as well as to the Company's financial and accounting policies, controls and procedures.

C. *Accuracy of records and reports*

It is important that those who rely on our financial information—including our stockholders, employees, customers, vendors, lenders and other business relationships—have complete, accurate and timely information. False, misleading or incomplete information undermines the Company's ability to make good decisions about resources, employees and programs and may, in some cases, result in violations of law. Anyone involved in preparing financial or accounting records or reports, including financial statements and schedules, must be diligent in assuring that those records and reports are complete, accurate and timely. Anyone representing or certifying as to the accuracy of such records and reports should make an inquiry or review adequate to establish a good faith belief in their accuracy.

Even if the Employee is not directly involved in financial reporting or accounting, the Employee is likely involved in some manner with financial records or reports. For example, the Employee may be responsible for submitting time sheets, invoices or expense reports. In addition, many Employees have direct or indirect involvement with product, marketing or administrative activities, which can also affect our reported financial condition or results. Therefore, the Company expects each Employee, regardless of whether he or she is directly involved with financial records or reports, to use all reasonable efforts to ensure that every business record or report with which the Employee deals is accurate, complete and reliable.

D. *Intentional misconduct*

Employees may not intentionally misrepresent the Company's financial performance or otherwise intentionally compromise the integrity of the Company's reports, records, policies and procedures. For example, an Employee may not:

- report information, or enter information in the Company's books, records or reports, that fraudulently or intentionally hides, misrepresents or disguises the true nature of any financial or non-financial transaction or result;
- establish any undisclosed or unrecorded fund, account, asset or liability for any improper purpose;
- enter into any transaction or agreement that accelerates, postpones or otherwise manipulates the accurate and timely recording of revenues, expenses or other financial information;
- intentionally misclassify transactions as to accounts, business units or accounting periods; or
- knowingly assist others in any of the above.

E. *Dealing with auditors*

Our auditors have a duty to review our records in a fair and accurate manner. Employees are expected to cooperate with independent and internal auditors in good faith and in accordance with law. In addition, Employees must not fraudulently induce or influence, coerce, manipulate or mislead the Company's independent or internal auditors regarding financial records, processes, controls or procedures or other matters relevant to their engagement. Employees may not engage,

directly or indirectly, any outside auditors to perform any audit, audit-related, tax or other services, without written approval from the Audit Committee.

F. Obligation to investigate and report potential violations

Consistent with the guidelines set forth in this Code and the Company's other policies and procedures, each Employee should be alert to possible wrongdoing relating to financial reporting and should report violations or suspected violations of this Code. In particular, an Employee should make appropriate inquiries in the event he or she sees, for example:

- financial results that seem inconsistent with underlying business performance;
- inaccurate financial records, including travel and expense reports, time sheets or invoices;
- the circumventing of mandated review and approval procedures;
- transactions that appear inconsistent with existing business policies or strategies;
- the absence of or weaknesses in internal processes or controls; or
- persons within the Company seeking to improperly influence the work of our financial or accounting personnel, or our external or internal auditors.

Dishonest or inaccurate reporting can lead to civil or even criminal liability for an Employee and the Company and can lead to a loss of integrity of the Company's financial information. Employees are required to promptly report any case of suspected financial misrepresentation or impropriety.

G. Keeping the Audit Committee informed

The Audit Committee plays an important role in ensuring the integrity of the Company's financial statements and the accuracy of its public disclosures. If an Employee believes that questionable accounting or auditing conduct or practices have occurred or are occurring, the Employee should notify his or her direct supervisor, the Compliance Officer or the Audit Committee. In particular, an Employee should promptly bring to the attention of the Audit Committee any information of which he or she may become aware concerning, for example:

- the accuracy of material disclosures made by the Company in its public filings;
- material weaknesses or significant deficiencies in internal control over financial reporting;
- any evidence of fraud that involves an Employee who has a significant role in the Company's financial reporting, disclosures or internal controls or procedures; or
- any evidence of a material violation of the policies in this Code regarding financial reporting.

H. Compliance with other Policies and Procedures

In addition to this Code, Employees are responsible for adhering to the Company's policies and procedures for reporting suspected violations of the Company's financial reporting policies, including but not limited to, the Company's Whistleblower and Reporting Suspected Violations Policy.

VII. Protection and Proper Use of Company Assets

A. *Overview*

All Employees are expected to use best efforts to protect the Company's assets and resources, and ensure their efficient use for legitimate business purposes. Theft, carelessness and waste have a direct impact on the Company's financial condition and welfare. Company property, such as computer equipment and software, buildings, furniture and furnishings, office supplies, and products and inventories, should be used only for activities related to employment. Employees should bear in mind that the Company retains the right to access, review, monitor and disclose any information transmitted, received or stored using Company equipment, with or without an Employee's or third party's knowledge, consent or approval. Employees must immediately report any misuse or suspected misuse of Company assets to their direct supervisor or the Compliance Officer.

B. *Protecting the Company's proprietary information*

In the course of an Employee's involvement with the Company, an Employee may come into possession of information that has not been disclosed or made available to the general public. This information is an important Company asset and the disclosure of such information may have materially adverse consequences to the Company. This nonpublic information may include, among other things:

- financial data and projections;
- proprietary and technical information, such as trade secrets, patents, inventions and product plans;
- information regarding corporate developments, such as business strategies, plans for acquisitions or other business combinations, divestitures, major contracts, expansion plans, financing transactions and management changes;
- information regarding customers, prospective customers, suppliers and other third parties with which the Company has or may have a relationship; and
- personal information about Employees.

All nonpublic information must only be used for Company business purposes. Employees have an obligation to use all reasonable efforts to safeguard the Company's nonpublic information. Employees may not disclose nonpublic information to anyone outside of the Company, except when disclosure is required for business purposes and appropriate steps have been taken to prevent misuse of that information. This prohibition extends to and prevents disclosure of nonpublic information in Internet blogs, forums, discussion groups, chat rooms and bulletin boards, as well as through other forms of social or electronic media. The misuse of nonpublic information is contrary to Company policy, may result in a violation of law, and may result in disciplinary action up to and including termination of employment.

Employees should consult the Compliance Officer to address any questions regarding what constitutes nonpublic information and any circumstances under which it may be permissible to disclose nonpublic information to a third party.

As a condition of employment with the Company, each Employee is required to sign a Confidential Information and Invention Assignment Agreement. This agreement confers an

obligation upon each and every Employee to protect the Company's nonpublic information, as described above.

C. *Prohibition on insider trading*

As an essential part of your work on behalf of the Company, you may have access to "**material nonpublic information**" about the Company. The purchase or sale of securities while possessing material nonpublic information or the disclosure of material nonpublic information to others who may trade in such securities is referred to as "**insider trading**" and is prohibited by federal and state securities laws. Information is considered "material" if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, hold or sell securities or if disclosure of the information would be expected to significantly alter the total mix of the information in the marketplace about the Company. Additionally, information is considered "nonpublic" if it has not been widely disclosed to the general public through a widely-disseminated press release, filing with the SEC, or other acceptable methods.

The penalties for violating insider trading laws are severe and may include, disciplinary action, termination of employment, disgorgement of profits gained or losses avoided, civil fines, criminal fines and imprisonment. Because of the sensitive nature of and severe penalties associated with insider trading, Employees must exercise the utmost care when in possession of material nonpublic information. All Employees are required to review and certify to their receipt of the Company's Insider Trading Policy.

D. *Maintaining and managing records*

The Company is required by applicable laws, rules and regulations to retain certain records and to follow specific guidelines in managing its records. Records include paper documents, email, compact discs, computer hard drives, floppy disks, microfiche, microfilm and all other recorded information, regardless of medium or characteristics. Civil and criminal penalties for failure to comply with such guidelines can be severe for Employees, agents, independent contractors and the Company.

Employees should consult with the Compliance Officer regarding the retention of records in the case of actual or threatened litigation or government investigation. The Compliance Officer will notify an Employee if a legal hold is placed on records for which an Employee is responsible. A legal hold suspends all document destruction procedures in order to preserve appropriate records under special circumstances, such as litigation or government investigations. The Compliance Officer determines and identifies what types of records or documents are required to be placed under a legal hold. If a legal hold is placed on records for which an Employee is responsible, the Employee must preserve and protect the necessary records in accordance with instructions from the Compliance Officer. Records or supporting documents that are subject to a legal hold must not be destroyed, altered or modified under any circumstance. A legal hold remains effective until it is officially released in writing by the Compliance Officer. If an Employee is unsure whether a document has been placed under a legal hold, the Employee should preserve and protect that document while the Employee checks with the Compliance Officer.

VIII. Media Contacts and Public Communications

It is the Company's policy to disclose material information concerning the Company to the public only in accordance with its communications and disclosure guidelines and policies, in order to avoid inappropriate publicity and to ensure that all such information is communicated in a way that is reasonably designed to provide broad, non-exclusionary distribution of information to the public and is otherwise made in compliance with applicable law.

Only authorized Company personnel can communicate externally on behalf of the Company. The Company has designated the Chief Executive Officer and Chief Financial Officer as the Company spokespersons. These persons are the only ones who are authorized to communicate with the media, investors or analysts on behalf of the Company, unless a specific exception has been made by the Compliance Officer. Employees are responsible for adhering to the Company's corresponding written policies and procedures for use of social media.

IX. Responsibilities to Our Customers, Suppliers and Competitors

All Employees should respect the rights of, and deal fairly with, the Company's customers, suppliers, business partners and competitors in compliance with all applicable laws. Employees should not take unfair advantage of anyone through deception, misrepresentation, manipulation, coercion, abuse of privileged information or any intentional unfair business practice.

A. Improper payments

Employees should not authorize, offer, promise or give, or solicit or accept, money, gifts, entertainment, privileges, gratuities, benefits or other items of value intended to improperly influence, directly or indirectly, any business decision or that otherwise violate law or create the appearance of impropriety. An Employee should contact the Compliance Officer if a question arises as to whether a payment is proper.

B. Gifts and entertainment

An Employee may, from time to time, provide or accept business amenities to aid in building legitimate business relationships. Business amenities may include gifts, meals, services, entertainment, reimbursements, favors, privileges or other items of value.

Any business amenity should be consistent with customary business practice and should be reasonable and appropriate for the circumstance. Business amenities should not be lavish or excessive. Business amenities should not violate law or create an appearance of impropriety. Employees should avoid providing or accepting any cash payment, or other business amenity that can be construed as a bribe or a payoff. All Company funds expended for business amenities must be accurately recorded in the Company's books and records. The Company encourages Employees to contact the Compliance Officer if there are any questions as to whether a business amenity is permissible.

In some business situations outside of the United States, it is customary and lawful for business executives to present gifts to representatives of their business partners. These gifts may be of more than a nominal value, and under the circumstances, returning the gifts or paying for them may be an affront to the giver. If an Employee finds him or herself in such a situation, the Employee

must report the gift to the Compliance Officer. In some cases, the Employee may be required to turn the gift over to the Company. At such time as the Company conducts any business whatsoever outside the United States, the Company will adopt a Foreign Corrupt Practices Act Policy.

C. Selecting suppliers

The Company's policy is to select suppliers based on the merits of their products, services and business practices and to purchase supplies based on need, quality, service, price and other terms and conditions of sale. Employees may not establish a business relationship with any supplier if the Employee knows that the supplier's business practices violate applicable laws.

D. Handling the nonpublic information of others

Employees must handle the nonpublic information of third parties responsibly, in accordance with our agreements with such third parties, and in compliance with our other policies that relate to preventing the use of nonpublic information. Nonpublic information of others includes notes, analyses, reports and other materials prepared by an Employee based on the nonpublic information of others.

Employees should not knowingly accept information offered by a third party, including a customer, supplier or business partner, that is represented as nonpublic, or that appears from the context or circumstances to be nonpublic, unless an appropriate nondisclosure agreement has been signed with the party offering the information. Employees should contact the Compliance Officer to coordinate the appropriate execution of nondisclosure agreements on behalf of the Company. Even after a nondisclosure agreement is in place, Employees should accept only the information that is necessary or appropriate to accomplish the purpose of receiving it, such as a decision on whether to proceed to negotiate a deal. If more detailed or extensive information is offered and it is not necessary or appropriate for the Employee's immediate purposes, it should be refused. If any such information is inadvertently received, it should be transferred to the Compliance Officer for appropriate disposition.

Once the Company has received nonpublic information, Employees should use all reasonable efforts to:

- abide by the terms of the relevant nondisclosure agreement, including any obligations with respect to the return or destruction of the nonpublic information;
- limit the use of the nonpublic information to the purpose for which it was disclosed; and
- disseminate the nonpublic information only to those other Employees, agents or independent contractors with a need to know the information to perform their jobs for the Company.

Employees should contact the Compliance Officer to discuss any questions regarding the proper handling of the nonpublic information of any third party, including any questions regarding the appropriate interpretation of the terms of any relevant nondisclosure agreement.

The insider trading laws prevent the purchase or sale of securities while possessing material nonpublic information or the disclosure of material nonpublic information to others who may trade in such securities. Employees must be aware that these laws can extend to trading on the basis of, or

disclosing to another party who trades on the basis of, information about third parties with which the Company does, or may do, business (see Section VII.C for additional information).

E. Improperly obtaining or using assets or information

Employees may not unlawfully obtain or use the materials, products, intellectual property, proprietary or nonpublic information, or other assets of any third party, including suppliers, customers, business partners and competitors. Employees may not coerce or improperly induce past or present employees of other companies to disclose proprietary or nonpublic information of their former or current employers.

F. Competition and Fair Dealing

While the Company believes in competition and intends to exploit whatever advantages it has or may develop as compared to its competitors, management believes that innovation, talented Employees, and astute business decisions are the keys to success, and not unethical or illegal business practices. No Employee may use illegal or improper means to acquire proprietary information from others, possess trade secret information, or induce disclosure of confidential information from past or present Employees of other companies. Employees that have obtained these types of information unknowingly or by mistake, or have any questions about the legality or appropriateness of future actions taken in light of the information, must consult with the Compliance Officer.

All Employees are expected to deal fairly and honestly with customers, suppliers, and anyone else with whom they have contact in the course of performing their duties on behalf of the Company. Making false or misleading statements about the Company or its competitors is inconsistent with the Company's intentions to have a reputation for integrity and honesty, prohibited by this Code, and potentially harmful to the Company's business. Employees may not take unfair advantage of anyone through misuse of confidential information, misrepresentation of material facts, or any other unfair business practice.

The United States and most other countries have well-developed bodies of law designed to encourage and protect free and fair competition. These laws are broad and generally regulate the Company's relationship with its customers, suppliers and service providers. Competition laws generally address the following areas: pricing practices, discounting, rebates, terms of sale, credit terms, promotional allowances, exclusive dealerships, product bundling, restrictions on utilizing competing products, termination and many other practices.

Employees involved in sales have a special responsibility to abide by all Company policies regarding selling activities, including policies relevant to revenue recognition by the Company. Employees involved in procurement have a special responsibility to adhere to principles of fair competition in the purchase of products and services by selecting suppliers based exclusively on normal commercial considerations, such as quality, cost, availability, service and reputation, and not on the receipt of special benefits.

Competition laws also govern relationships between the Company and its competitors. Collusion among competitors is illegal, and the consequences of a violation are severe. All Employees are prohibited from entering into an agreement or understanding, written or oral, express or implied, with any competitor concerning prices, discounts, rebates or other terms or conditions of

sale; profits or profit margins; costs; limitations on production or supply; or even discussing or exchanging information on these subjects.

The Company is committed to obeying both the letter and spirit of these laws, which are often referred to as antitrust, consumer protection, competition or unfair competition laws. Noncompliance with these laws can have extremely negative consequences for the Company, including long and costly investigations and lawsuits, substantial fines or damages, and adverse publicity. Understanding the requirements of antitrust and unfair competition laws of the jurisdictions where the Company does business can be difficult, so Employees are urged to seek guidance from their direct supervisor or the Compliance Officer whenever they have a question relating to these laws.

X. Working with Governments

A. *Overview*

Special rules govern business and other dealings with governments. To the extent our Employees, agents and independent contractors interact with governmental entities, they should use all reasonable efforts to comply with all applicable laws and regulations governing contact and dealings with governments, government employees and public officials. If an Employee deals with governments, government employees or public officials, the Employee should undertake to understand any special rules that apply. If an Employee has any questions concerning government relations, the Employee should contact the Compliance Officer.

B. *Government contracts*

Employees should use all reasonable efforts to comply with all relevant laws and regulations that apply to government contracting. Employees should refer any contract with any governmental entity to the Compliance Officer for review and approval.

C. *Requests by regulatory authorities*

Employees must cooperate with appropriate government inquiries and investigations in accordance with law. It is important, however, to protect the legal rights of the Company with respect to its nonpublic information. All government requests for Company information or documents should be referred to the Compliance Officer. Employees should work with the Compliance Officer in responding to requests by regulatory authorities to ensure appropriate responses and to avoid inappropriate disclosure of attorney-client privileged materials, trade secret information or other nonpublic information. This policy should not be construed to prevent an Employee from disclosing information to a government or law enforcement agency where the Employee has reasonable cause to believe that the information discloses a violation of, or noncompliance with, a state or federal statute or regulation.

D. *Improper payments to government officials*

Employees may not offer any payment or business amenity to a public official or a government employee if doing so could reasonably be construed as having any connection with the Company's business, even if it has a nominal value or no value at all. Employees should be aware that what may be permissible in dealings with commercial businesses may be deemed illegal and

possibly criminal in dealings with the government. Employees should contact the Compliance Officer for guidance.

Whether the Employee is located in the United States or abroad, the Employee is also responsible for fully complying with the Foreign Corrupt Practices Act. The Foreign Corrupt Practices Act makes it illegal to offer, pay, promise to pay or authorize to pay any money, gift or other item of value to any foreign official, political party or candidate to assist the Company or another to obtain or retain business.

E. Political contributions

The Company reserves the right to communicate its position on important issues to elected representatives, government officials and political organizations. It is the Company's policy to comply fully with all applicable laws, rules and regulations regarding political contributions. Accordingly, it is Company policy that no corporate funds may be used to make political contributions of any kind to any candidate, political party or to intermediary organizations such as political action committees ("**PAC**"), provided that this policy does not prohibit the formation of a PAC sponsored by the Company and the use of corporate funds to defray the administrative expenses of the operation of such a PAC in accordance with applicable laws. The Company's assets may not be used for, or be contributed to, political campaigns or political activities without the prior approval of the Compliance Officer.

F. Lobbying

Employees must obtain approval from the Compliance Officer for any work activity that requires lobbying communication with any member or employee of a legislative body or with any government official or employee in the formulation of legislation. Work activity covered by this policy includes meetings with legislators or members of their staffs or with senior executive branch officials on behalf of the Company. Preparation, research and other background activities that are done in support of such lobbying communication are also covered by this policy even if the communication is ultimately not made.

XI. Compliance Standards and Procedures

A. Delivery of the Code; Certifications

This Code will be delivered to all Employees upon its adoption by the Company, and to all new Employees and, where appropriate, independent contractors, at the commencement of their employment or association with the Company. Thereafter, this Code shall be distributed annually or posted on the Company's website (www.appfolioinc.com). All Employees must certify their understanding of, and intent to comply with, this Code. A copy of the certification that all Employees must sign is attached hereto as Exhibit A. A copy of the executed certification shall be sent to the Compliance Officer or his or her designee.

B. Seeking Guidance

Every Employee is encouraged to talk to his or her supervisor when in doubt about the application of any provision of this Code. The best starting point for an Employee seeking advice on ethics-related issues or reporting potential violations of this Code will usually be his or her direct

supervisor. However, if the conduct in question involves his or her direct supervisor, if the Employee has reported the conduct in question to his or her supervisor and does not believe that he or she has dealt with it properly, or if Employee does not feel comfortable discussing the matter with his or her direct supervisor, the Employee may raise the matter with the Compliance Officer.

C. Compliance Officer

If the Board has specifically appointed a Compliance Officer, such person will be the Compliance Officer for purposes of this Code. If the Company has not designated a Compliance Officer, the Chief Financial Officer will be, for purposes of this Code, the Compliance Officer. The Compliance Officer may designate one or more individuals to perform the Compliance Officer's duties. The determinations of the Compliance Officer under this Code are final.

The duties of the Compliance Officer or his or her designee include the following:

1. Administering and interpreting this Code and monitoring and enforcing compliance with all its provisions and procedures.
2. Responding to all inquiries relating to this Code and its procedures.
3. Investigating possible violations of this Code;
4. Providing (or supervising the provision of) the current version of this Code to all Employees (which may include posting this Code to the Company's website);
5. Proposing modifications of this Code to reflect, among other things, changes in the law, Company operations, best corporate governance practices, and the Company's experience with this Code;
6. Maintaining records of all documents required by the provisions of this Code; and
7. Promoting an atmosphere of responsible and ethical conduct.

D. Employee Reporting;

If an Employee becomes aware of or suspects that unethical or illegal conduct has occurred or is about to occur, the Employee should discuss the matter promptly with his or her direct supervisor or the Compliance Officer. Even the appearance of impropriety could be very damaging to the Company. Employees who are aware of a suspected or actual violation of this Code by others have a responsibility to report it. Failure to report it could result in violation of this Code.

E. Confidentiality; Non-Retaliation

All information regarding suspected ethical violations or unlawful activity will be received on a confidential basis. While complete confidentiality cannot be guaranteed, confidentiality will be maintained to the extent possible in conducting internal investigations and, where action is warranted, in carrying out disciplinary measures.

Employees are assured that they may report unethical conduct without fear of retaliation. The Company will not tolerate adverse actions being taken against an Employee for reporting actual or potential violations of law or Company policies, or for participating in internal investigations.

F. Compliance Officer Investigation

Employees must promptly report any complaints or observations of Code violations or suspected violations to their director supervisor or the Compliance Officer. The Compliance Officer will investigate all reported possible Code violations promptly and with the highest degree of confidentiality that is possible under the specific circumstances. All Employees are expected to cooperate with any investigation. In conducting any investigation, the Compliance Officer will consult with the senior management team, outside counsel, the Audit Committee, and the full Board, each to the extent deemed necessary or appropriate by the Compliance Officer.

G. Response to Violations

The Company will take appropriate action against any Employee whose actions are found to have violated this Code or any other policies and procedures of the Company. Disciplinary actions may include, at the Company's sole discretion, oral or written reprimand, suspension of employment with or without pay, immediate termination of employment, or any other disciplinary action or combination of disciplinary actions deemed appropriate under the circumstances. A record of the disciplinary action will be retained in the Employee's personnel file.

In determining what disciplinary action is appropriate in a particular case, the Company will take into account all relevant information, including, without limitation, the nature and severity of the violation, any history of warnings and violations involving the Employee, whether the violation appears to have been intentional or inadvertent, and whether the violator reported his or her own misconduct. The Company will strive to enforce this Code in a consistent manner while accounting for unique circumstances and available information.

Certain violations of this Code may be subject to civil or criminal prosecution by governmental authorities and others. Where laws have been violated, the Company will report violators to the appropriate authorities.

Where the conduct that resulted in a violation of this Code has also resulted in harm or damage to the Company, the Company reserves the right to pursue all remedies against the responsible parties.

XII. Waiver and Amendment

Any waiver or amendment of this Code that applies to any of the Company's directors or executive officers must be in writing, may only be authorized by the Board or the Audit Committee and must be promptly disclosed to stockholders, along with the reasons for the waiver. Any such amendment or waiver will be disclosed in accordance with all applicable laws, rules, regulations and listing standards.

XIII. No Rights Created

This Code is a statement of fundamental principles, policies and procedures that govern the Company's Employees in the conduct of the Company's business. It is not intended to and does not create any legal rights for any Employee, customer, supplier, stockholder or any other person or entity.

XIV. Miscellaneous

The policies in this Code do not constitute a complete list of Company policies or a complete list of the types of conduct that can result in discipline, up to and including termination of employment.

EXHIBIT A

CERTIFICATION

I hereby certify that:

- I have read and understand the Code of Business Conduct and Ethics for Employees and Directors to which this Certification is attached.
- Since the effective date of the Code, or such shorter period of time that I have been a director, officer, or employee of the Company, I have complied in all respects with the Code.
- I will continue to comply with the Code for as long as I am a director, officer or employee of the Company.
- I will personally strive to conduct all business affairs in which I am involved on the Company's behalf in a manner which is in keeping with the spirit and intent of the Code. I will also notify the appropriate persons, as identified in the Code, if I become aware of or suspect behavior that is in violation of the Code.
- I understand that my direct supervisor is available to answer any questions I may have regarding the Code and that, if for any reason I do not feel comfortable discussing my questions with my direct supervisor, I should contact the Company's Compliance Officer.
- I understand that engaging in conduct in violation of this Code is grounds for disciplinary action up to and including termination of employment.

Signature

Date

Printed Name (Please print legibly)

Title