



## CHARTER OF THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

### Purpose

The purpose of the Nominating and Corporate Governance Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of AppFolio, Inc. (the “**Company**”) is to assist the Board with oversight of the director nominations process and the Company’s corporate governance.

### 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 be an “independent director” in accordance with the listing rules of the national securities exchange on which the Company’s securities are listed for trading.

The members of the Committee shall be appointed by and serve at the discretion of the Board based on recommendations from the Committee. Committee members may be removed, without cause, by the affirmative vote of a 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). If 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.

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 of the Committee shall be an independent director. The Chairperson of the Committee will set the agenda for Committee meetings and will conduct proceedings of those meetings.

### Responsibilities, Duties, and Powers

To carry out its purpose, the Committee shall have the responsibilities, duties, and powers set forth below.

#### A. Nominating Directors to the Board and to Committees

- (i) Evaluate the leadership and organization of the Board, and of each Board committee, and make recommendations to the Board regarding any modifications thereto, including the creation of any additional committee or the dissolution of an existing committee.
- (ii) Develop and recommend to the Board for approval a CEO succession plan (the “**Succession Plan**”), review the Succession Plan periodically, develop and evaluate potential candidates for CEO, and recommend to the Board any changes to and any candidates for succession under the Succession Plan.



- (iii) Determine and annually assess the qualifications, qualities, skills, and other expertise required to be a director, and develop and recommend to the Board for its approval criteria to be considered in selecting nominees for director (the “**Director Criteria**”).
- (iv) Identify and screen individuals who are qualified to become members of the Board consistent with the Director Criteria and review the contributions of incumbent directors in determining whether to recommend that the Board nominate them for reelection to the Board.
- (v) Review the size and composition of the Board.
- (vi) Consider director candidates recommended by stockholders pursuant to the procedures set forth in the Company’s certificate of incorporation and bylaws (each as amended and in effect from time to time).
- (vii) Review shareholder proposals and recommend Board responses.
- (viii) Approve (a) all nominees to serve as members of the Board before they are appointed by the Board or proposed by the Board for election by the stockholders, including approval of director nominees to be proposed by the Board for election at each annual meeting of stockholders, and (b) all director nominees to be elected by the Board to fill interim director vacancies.
- (ix) If necessary or warranted, recommend termination of particular directors for cause or for other appropriate reasons that may be identified through the Board self-evaluation process or elsewhere.
- (x) Review and approve, as appropriate, any requests from directors or officers to stand for election to any outside for-profit boards of directors.
- (xi) Evaluate and report to the Board on the “independence” of directors and director nominees against the independence requirements of the listing standards of the national securities exchange on which the Company’s securities are listed for trading and the rules and regulations of the Securities and Exchange Commission, and other applicable laws, rules and regulations, in each case to the extent applicable.

**B. Corporate Governance**

- (i) Periodically review and recommend changes to the Company’s certificate of incorporation and bylaws.
- (ii) Ensure that charters are prepared for each of the Board committees and comply with applicable laws, rules, regulations and listing standards, and ensure that such charters are approved by the Board.



- (iii) Periodically review the terms and conditions of the Company's director and officer insurance policy and make recommendations to the Board with respect to changes thereto.
- (iv) Periodically review the terms and conditions of the Company's indemnification arrangements and make recommendations to the Board with respect to changes thereto.
- (v) Review and assess the Company's governance policies and codes as the Committee deems appropriate, and recommend any proposed changes to the Board for approval.
- (vi) Oversee compliance by the Board and its committees with any laws, rules, regulations and listing standards that impose governance responsibilities on the Board.
- (vii) Oversee the performance and self-evaluation process of the Board and each committee, including, to the extent deemed appropriate by the Committee, conducting surveys of director observations, suggestions and preferences regarding the effective operation of the Board and each committee.
- (viii) Evaluate whether any position held or proposed to be held by any director or director nominee would represent a conflict of interest with such director's membership on the Company's Board or any committee thereof.
- (ix) Oversee the Company's environmental, social and governance activities and ensure that such activities comply with applicable laws and regulations and result in a positive cost-benefit ratio with respect to the interests of the Company.
- (x) Oversee and facilitate the continuing education of directors in matters affecting their governance responsibilities.
- (xi) Review with management disclosure of the Company's corporate governance practices, including information regarding the operation of the Committee or other Board committees, director independence and the director nominations process, and recommend that this narrative disclosure be included in the Company's proxy statement or annual report on Form 10-K, as applicable.

**C. Other**

- (i) 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).
- (ii) Rely upon advice and information that the Committee receives in its discussions and communications with management and such advisors as may be consulted by the Committee.



- (iii) Request that any officer or employee of the Company, the Company's independent 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, (i) the Committee, and its members and advisors, shall only meet with such persons regarding matters applicable to the responsibilities and duties of the Committee, and (ii) the Committee shall retain the discretion to exclude any such person from all or any portion of any Committee meeting and shall meet regularly without such individuals present.
- (iv) Perform other activities that are 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.
- (v) Have unrestricted access to Company personnel and documents, and seek any information the Committee requires from employees, officers, directors or external parties.
- (vi) Incur such expenses as are necessary or appropriate in carrying out its duties.
- (vii) Perform such other functions as may be requested by the Board from time to time.

### **Meetings and Procedure**

The Committee will meet at least once per fiscal quarter or more frequently, as determined appropriate by the Committee. The agenda and materials for Committee meetings will be prepared by the Chairperson of the Committee in consultation with the other Committee members. 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 virtual), action without meetings, notice, waiver of notice, quorum and voting requirements as are applicable to the Board.

### **Authority to Conduct Investigations and Retain Advisors**

In performing its responsibilities, the Committee shall have the authority to (i) conduct investigations, and (ii) in the Committee's sole discretion, engage and obtain advice, reports or opinions from legal counsel and other advisors, as it determines necessary, to carry out its responsibilities. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any legal counsel and other advisor 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.



**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.

**Annual Performance Review**

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

