Corporate Governance Guidelines

AppFolio, Inc.

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I. Purpose

The Board of Directors (the ***"Board"***) of AppFolio, Inc. (the ***"Company"***) has adopted the following Corporate Governance Guidelines (the "***Guidelines***") to assist the Board in carrying out its duties and responsibilities to the Company and its stockholders. These Guidelines are intended to serve as a flexible framework for the conduct of the Board's business and not as a set of legally binding obligations. These Guidelines are meant to be interpreted in the context of all applicable laws and listing standards and the Company's Certificate of Incorporation (the "***Certificate***"), Bylaws (the "***Bylaws***") and other governing documents.

II. Role of the Board of Directors

In accordance with the Delaware General Corporation Law, the Certificate and the Bylaws, the business and affairs of the Company are managed by, and under the direction of, the Board. The principal duty of the directors is to exercise their business judgment to act in what they reasonably believe to be the best interests of the Company and its stockholders.

The Company's business is conducted by its officers and employees under the direction of the Chief Executive Officer and the oversight of the Board. The Board is elected by the stockholders to oversee management and to ensure that the long-term interests of the stockholders are being served. The Board, among other things:

1. selects and oversees the Chief Executive Officer who, together with management, runs the Company on a daily basis;
2. monitors management's performance to assess whether the Company is operating in an effective, efficient and ethical manner in order to produce value for the stockholders; and
3. periodically review, among other aspects of the Company's business, the Company's long-term business plan, product development projects, capital expenditures, financing requirements, budget matters, and significant risks and risk management efforts.

III. Selection of Directors and Board Composition

A. Selection of Directors

Except as discussed below with respect to vacancies, the directors are elected by the Company's stockholders at its Annual Meeting of Stockholders. Nominations for the election of directors at the Annual Meeting of Stockholders may be made by the Board or by any stockholder entitled to vote in the election of directors generally subject to the terms of the Certificate and the Bylaws. The Nominating and Corporate Governance Committee of the Board (the ***"Nominating and Corporate Governance Committee"***) is responsible for identifying and recommending to the Board qualified nominees for election at the Annual Meeting of Stockholders. The Board, taking into account the recommendations of the Nominating and Corporate Governance Committee, is responsible for the final selection of the nominees for election at the Annual Meeting of Stockholders.

The Board, taking into account the recommendations of the Nominating and Corporate Governance Committee, is responsible for the selection and appointment of directors to fill any vacancies on the Board.

B. Board Membership Criteria

The Nominating and Corporate Governance Committee is responsible for annually assessing the qualifications, qualities, skills and other expertise expected of directors and developing and recommending to the Board for its approval criteria to be considered in selecting directors.

Each nominee for the Board should: (1) be committed to enhancing long-term stockholder value and possess a high level of integrity, personal and professional ethics, and sound business judgment; (2) be free of any conflicts of interest that would violate applicable laws or listing standards, conflict with any of the Company's corporate governance policies or procedures, or interfere with the proper performance of his or her duties and responsibilities; (3) have the ability and willingness to devote the necessary time and effort to perform the duties and responsibilities of a director; (4) demonstrate an understanding that his or her primary responsibility is to serve the best interests of the stockholders, and not his or her personal interest or the interest of a particular group or stockholder; and (5) possess experience, skills and attributes that enhance his or her ability to perform duties on the Company's behalf. In assessing these qualities, the Board and the Nominating and Corporate Governance Committee may consider all facts and circumstances, including among other things, (a) personal qualities, skills and attributes and diversity of business experience or other background characteristics, (b) expertise in specific business areas, such as accounting, marketing, strategy, financial reporting or corporate governance, (c) professional experience in the technology industry or similar industries and (d) such other factors as they determine would reasonably be expected to contribute to the overall effectiveness of the Board in light of the specific needs of the Board and the Company at that time.

C. Independence

At least a majority of the directors shall meet the independence requirements under the listing standards of the stock exchange on which the Company's securities are listed for trading. At least annually, the Board shall make an affirmative determination regarding the independence of each director, based upon the recommendation of the Nominating and Corporate Governance Committee. Each independent director shall notify the Chair of the Nominating and Corporate Governance Committee, as soon as reasonably practicable, in the event his or her circumstances change in a manner that may affect the Board's evaluation of his or her independence.

D. Size of the Board

The number of directors is fixed by the Board, subject to the terms of the Certificate, the Bylaws and applicable law. The Certificate provides for a staggered board, whereby the Board is divided into three classes of approximately equal size and one class is elected each year to serve a three-year term. The Nominating and Corporate Governance Committee shall periodically review the size of the Board with the goal that the size of the Board should be sufficient to maintain needed expertise and independence without becoming too large to function effectively.

E. Board Leadership

The Board selects and appoints the Chair of the Board and the Chief Executive Officer. The Board does not have a fixed policy regarding whether the offices of Chair of the Board and Chief Executive Officer should be vested in the same person or two different people. The Board believes the Company and its stockholders are best served by a Board that has the flexibility to establish a leadership structure that fits the needs of the Company at a particular time.

If the Board does not have an independent Chair, a Lead Independent Director will be appointed by the Board. The Lead Independent Director shall be an independent director of the Company elected by the independent directors, and shall serve in such capacity until his or her successor is elected by the affirmative vote of the independent directors, or until his or her earlier death, resignation or removal, or until he or she ceases to qualify as an independent director. The appointment of the Lead Independent Director shall be reviewed biennially by the independent directors. The Lead Independent Director shall have the following duties and responsibilities, in addition to such other duties and responsibilities as the Board may determine from time to time:

- preside at meetings of the Board when the chair is absent;
- serve as liaison between the chair and the independent directors;
- facilitate communications among the independent directors;
- call meetings of the independent directors as needed and desired and preside at such meetings;
- review Board agendas with the chair, who retains ownership of the agenda;
- preside over the Board’s annual self-evaluation;
- conduct the annual review of the Chief Executive Officer’s performance on behalf of the independent directors, in coordination with the Compensation Committee;
- preside on matters involving an actual or perceived conflict of interest involving the Chief Executive Officer or the Chair;
- have the authority to retain independent outside advisors who report to the Board;

- partner with the Nominating and Corporate Governance Committee on committee membership and committee chair appointments;
- assist in director recruitment and onboarding;
- mentor new directors;
- promote strong corporate governance practices;
- be available for consultation and direct communication with the Company's major stockholders when requested; and
- serve as a spokesperson for the Board when requested

The Company shall disclose the identity of the Lead Independent Director and a description of the Lead Independent Director's duties and responsibilities in its annual proxy statement or as otherwise required by applicable laws and listing standards.

F. Term Limits

The Board does not believe that it should establish term limits. Directors who have served on the Board for an extended period of time are able to provide continuity and valuable insight into the Company's business, strategies and prospects because of their experience and understanding of the Company's history, policies and objectives. The Board believes that it can ensure that it continues to evolve and adopt new ideas and viewpoints through the director nomination and evaluation process described in these Guidelines.

IV. Board Meetings and Operation

A. Board Meetings

Board meetings are scheduled in advance and are typically held each quarter, in addition to special meetings, as required. Each director is expected to prepare for, attend and participate in all Board and applicable committee meetings. Attendance and active participation in meetings is an important component of each director's duties and will be taken into account by the Board when assessing a director's performance and nomination for reelection as a director.

B. Agenda

The Chair of the Board, together with the Chief Executive Officer, shall establish the agenda for each Board meeting. If the Board has appointed a Lead Independent Director, the Chair of the Board shall set the agenda for each Board meeting, and the Lead Independent Director may recommend agenda items and, together with any director, may request that a subject be included on the agenda. Any director may request that a subject be included on the agenda and may raise a subject that is not on the agenda at any meeting.

C. Advance Materials

Information and materials that are important to the directors' understanding of the business to be conducted at a Board or committee meeting shall, to the extent practical, be distributed sufficiently in advance of each meeting to permit meaningful review. Directors are expected to review such materials prior to the meeting.

D. Executive Sessions

The independent directors shall meet periodically in executive session at least twice per year. If the Chair of the Board is an independent director, the Chair of the Board shall preside at each executive session. If the Chair of the Board is not an independent director, the Lead Independent Director shall preside at each executive session.

E. Attendance at Annual Meeting of Stockholders

The Board encourages each director to attend the Company's Annual Meeting of Stockholders.

F. Time Commitment

Each director is expected to ensure that his or her other existing and planned future commitments do not materially interfere with such director's service on the Board. Directors are expected to spend the time needed and meet as frequently as the Board deems necessary or appropriate to discharge their responsibilities.

The Board does not believe that directors who retire or change the job/position they held when they became a member of the Board should necessarily leave the Board. Promptly following such an event, the affected director shall notify the Chair of the Nominating and Corporate Governance Committee. The Board, taking into account the recommendations of the Nominating and Corporate Governance Committee, shall review the continued appropriateness of the affected director remaining on the Board. The affected director is expected to act in accordance with the Board's recommendation following such review.

Each director shall advise the Chair of the Nominating and Corporate Governance Committee of any invitation to join the board of directors of any for-profit company prior to accepting the directorship. The Nominating and Corporate Governance Committee shall review and approve, as appropriate, any such request. No director should serve on more than four additional public company boards and no director shall serve on the board of any competitor of the Company. Service by the directors on boards and/or committees of other companies should be consistent with the Company's conflict of interest policies.

G. Ethics and Conflicts of Interest

The Board expects the directors, as well as the Company's officers and employees, to act ethically at all times and comply with all applicable policies of the Company, including the Company's Code of Ethics and Business Conduct (the ***"Code"***). Directors are expected to avoid actual or apparent conflicts of interest and to disclose any such conflicts of interest to the Company in accordance with any applicable policies of the Company, including the Code.

H. Confidentiality

Consistent with their fiduciary duties, the directors shall maintain the confidentiality of any non-public information received in their capacities as directors, including Board and committee communications, discussions and materials.

I. Access to Information and Employees

The Board shall have access to any information about the Company that it deems necessary or appropriate to carry out its duties. This includes, among other things, access to the Company's senior management, employees, documents, records and facilities. The directors are to use their business judgment to ensure that any such access is not disruptive to the business operations of the Company. The Board also encourages management to schedule managers to present at Board meetings who (1) can provide additional insight into items being discussed or (2) management believes should be given exposure to the Board.

J. Authority to Engage and Access Independent Advisors

The Board and its committees shall have the authority to retain (at the Company's expense) and terminate such outside independent advisors as they determine necessary to carry out their duties, and to establish the compensation to be paid to such advisors.

K. Evaluation of Executives

At least annually, the Compensation Committee of the Board (the ***"Compensation Committee"***) shall (1) evaluate the performance of the Chief Executive Officer and report to the Board on this evaluation and (2) review and recommend to the Board for approval each component of compensation paid to the Chief Executive Officer. Taking into account the Compensation Committee's evaluation, review and recommendations, the Board shall (3) evaluate the performance of the Chief Executive Officer and (4) approve the Chief Executive Officer's compensation. The Compensation Committee shall also annually evaluate the performance of the other senior management and approve each component of compensation paid to the other senior management. If the Board has appointed a Lead Independent Director, the Lead Independent Director shall conduct the annual review of the Chief Executive Officer's performance on behalf of the independent directors, in coordination with the Compensation Committee's evaluation described above.

L. Succession Planning for Executives

The Nominating and Corporate Governance Committee shall periodically review and recommend to the Board for approval a succession plan for the Chief Executive Officer and review succession planning and leadership development for the other senior management. The Board, taking into account the Nominating and Corporate

Governance Committee's recommendations, shall review and approve the succession plan for the Chief Executive Officer on at least an annual basis. In addition, the Board shall review, from time to time, contingency plans for a successor to assume the role of Chief Executive Officer should he or she unexpectedly become unable to perform his or her duties.

V. Board Committees

A. Committees

The Board has four standing committees: (1) Audit Committee; (2) Compensation Committee; (3) Nominating and Corporate Governance Committee; and (4) Risk and Compliance Oversight Committee. The Board may form new committees and disband existing committees, subject to any applicable laws and listing standards and the Certificate and Bylaws.

B. Appointment

The Board, taking into account the recommendations of the Nominating and Corporate Governance Committee, is responsible for the appointment of the members of each committee. Each committee member must meet the independence and other requirements established by applicable laws and listing standards, including the additional independence criteria applicable to audit committee and compensation committee members.

C. Charter

Each committee shall have its own written charter which complies with the applicable listing standards and any applicable laws. Each charter shall at a minimum set forth the purposes and responsibilities of the committee, the qualifications for committee membership, the procedures for committee member appointment and removal and the committee structure, operations and meetings. Each charter shall also require each committee to annually evaluate its performance and review the adequacy of its charter. Each committee shall regularly report to the Board on significant matters discussed by the committee.

VI. Director Compensation

The Compensation Committee shall annually review director compensation and make recommendations to the Board. The Board, taking into account the recommendations of the Compensation Committee, shall have the ultimate authority to determine the form and amount of director compensation. Directors who are employees of the Company shall not receive additional compensation for their service as directors.

VII. Director Orientation and Continuing Education

Management shall provide new directors with materials, briefings and educational opportunities designed to educate the director regarding the Company, the industry and the Board. In addition, management shall provide the directors with periodic updates on developments relevant to the Board. Directors are also encouraged to attend outside director education programs.

VIII. Board Evaluation

The Board and each of its committees shall conduct an annual self-assessment/evaluation for the purpose of determining whether the Board, its committees and the directors are functioning effectively. The Nominating and Corporate Governance Committee shall coordinate and oversee the self-assessment/evaluation process. If the Board has appointed a Lead Independent Director, the Lead Independent Director shall preside over the Board's annual self-assessment/evaluation.

IX. Corporate Communications

The Board believes that management should be primarily responsible for communications with third parties on behalf of the Company. Accordingly, third party inquiries to individual directors should be directed to the Chief Executive Officer. In limited circumstances, individual directors may, at the request of management or of the Board, communicate with third parties on behalf of the Company. Notwithstanding the foregoing, if the Board has appointed a Lead Independent Director, the Lead Independent Director shall be available for consultation and direct communication with the Company's major stockholders when requested and, when requested by the Board, may serve as a spokesperson for the Board.

X. Miscellaneous

The Nominating and Corporate Governance Committee shall periodically review these Guidelines and recommend appropriate changes to the Board.