



AMENDED AND RESTATED CHARTER OF THE COMPENSATION COMMITTEE

Purpose

The purpose of the Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of AppFolio, Inc. (the “**Company**”) is to assist the Board with oversight of executive compensation matters.

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:

- (i) 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; and
- (ii) be free from any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment as a Committee member.

At least two members of the Committee shall qualify as “non-employee directors” as defined in Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”).

The members of the Committee shall be appointed by and serve at the discretion of the Board based on recommendations from the Nominating and Corporate Governance 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 (as defined below) (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. Compensation of the Chief Executive Officer and Other Senior Executives

- (i) Review and approve annually the corporate goals and objectives applicable to the compensation of the chief executive officer (“**CEO**”), evaluate at least annually the CEO’s performance in light of those goals and objectives, and make recommendations to the Board regarding the CEO’s compensation level based on this evaluation. In evaluating and making recommendations to the Board regarding the long-term incentive component of CEO compensation, the Committee may consider the Company’s performance and relative stockholder return, the value of similar incentive awards given to CEOs at comparable companies and the awards given to the Company’s CEO in past years. In evaluating and making recommendations to the Board regarding CEO compensation, the Committee shall consider the results of the most recent stockholder advisory vote on executive compensation (“**Say on Pay Vote**”) required by Section 14A of the Exchange Act.
- (ii) Review and approve the compensation of (a) all other senior executives, and (b) all other employees whose compensation is not otherwise delegated to one or more senior executives to review and approve, including base salary, cash incentive compensation, equity-based awards (subject to any approvals required or advisable under Section 16 of the Exchange Act), perquisites and other benefits. In evaluating executive compensation, the Committee shall consider the results of the most recent Say on Pay Vote.
- (iii) Review the Company and individual performance objectives that are deemed relevant to the compensation of the senior executives, and make modifications as necessary or appropriate to the performance objectives in light of the Company’s overall compensation philosophy.
- (iv) Approve minimum, target and maximum cash and equity incentive awards for senior executives under the Company’s cash and equity incentive compensation plans, including, where appropriate, time and/or performance-based goals associated with the achievement of those cash and equity incentive awards after taking into consideration the Company’s overall compensation philosophy.
- (v) Evaluate and approve the amount of (a) cash incentive compensation actually earned by and/or (b) 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 set forth in the relevant award.
- (vi) Set the composition of any peer company group used for market comparison for executive compensation.
- (vii) Review, approve and/or recommend to the Board for approval the terms of any employment agreements, severance or change in control arrangements, or other compensatory arrangements with the CEO and other senior executives, which includes the ability to adopt, amend and terminate such agreements, arrangements or plans.



- (viii) Monitor the effectiveness of non-equity based benefit plan offerings, including but not limited to non-qualified deferred compensation, fringe benefits and any perquisites, in particular those pertaining to executive officers, and approve any material new employee benefit plan or change to an existing plan that creates a material financial commitment by the Company. In its discretion, the Committee may otherwise approve, amend, modify, ratify or interpret the terms of, or terminate, any non-equity based benefit plan or delegate such authority to the extent such delegation is permitted. In regard to employee benefit plans, the Committee's role shall be one of oversight and, except as the Committee otherwise expressly determines or applicable law otherwise expressly requires, the Committee shall not act as a fiduciary with respect to any benefit plans or programs under the Employee Retirement Income Security Act of 1974 or otherwise.
- (ix) Require that the CEO and other senior executives not be present during voting or deliberations regarding their compensation and benefits.
- (x) Consider whether the Company's compensation programs and strategy encourage undue or inappropriate risk taking by the CEO and other senior executives and other employees, and approve or recommend procedures to mitigate risk where appropriate.

B. Administration of Cash and Equity-Based Compensation Plans

- (i) Administer and interpret the Company's 2015 Stock Incentive Plan and any other similar incentive compensation plan or equity-based plan adopted by the Company (collectively, the "**Plans**"), including (a) designation of the employees to whom the awards are to be granted, (b) the amount of the award or equity to be granted and the terms and conditions applicable to each award or grant and (c) recommending that the Board delegate, to one or more senior executives, the authority to grant cash or equity-based awards to employees (other than senior executives), in each case, subject to the provisions of the applicable Plan and such guidelines or limitations as the Board may adopt. In reviewing and approving, or, as necessary or appropriate, recommending for approval any Plan, including whether to adopt, amend or terminate any such Plan, the Committee shall consider the results of the most recent Say on Pay Vote.
- (ii) Review and approve, or, as necessary or appropriate, recommend approval to the Board of, incentive compensation plans and equity-based plans and any revisions to or proposals regarding any such plans to be included in the Company's proxy statement.

C. Disclosure of Executive Compensation and Compensation Committee Report

- (i) Review with management the Company's Compensation Discussion and Analysis ("**CD&A**") and the related executive compensation information, and determine whether or not to recommend the CD&A and related executive compensation information be included in the Company's annual report on Form 10-K and proxy statement, and oversee the preparation of the compensation committee report on



executive officer compensation required to be included in the Company's proxy statement or annual report on Form 10-K.

- (ii) Review and recommend to the Board for approval the frequency with which the Company will conduct Say-on-Pay Votes, taking into account the results of the most recent stockholder advisory vote on frequency of Say-on-Pay Votes required by Section 14A of the Exchange Act, to review and approve the proposals regarding the Say-on-Pay Vote and the frequency of the Say-on-Pay Vote to be included in the Company's proxy statement.

D. Other

- (i) 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.
- (ii) 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).
- (iii) Determine stock ownership guidelines, if any, for the non-employee directors, CEO, and other senior executives, and monitor compliance with such guidelines.
- (iv) 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.
- (v) Assist the Board in its oversight of human capital management, including corporate culture, diversity and inclusion, recruiting, retention, attrition, talent management, career development and progression, succession, and employee relations.
- (vi) 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, 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.
- (vii) 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.
- (viii) Have unrestricted access to Company personnel and documents, and seek any information the Committee requires from employees, officers, directors or external parties.



- (ix) Incur such expenses as are necessary or appropriate in carrying out its duties.
- (x) Perform such other functions as may be requested by the Board from time to time.

Meetings

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 meetings by conference telephone or similar communications equipment), 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 compensation consultants, 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 compensation consultant, 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 compensation consultants, 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 compensation consultants, legal counsel, and other advisors as it deems appropriate.

Notwithstanding the foregoing, 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.

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 this charter that the Committee deems appropriate.

Annual Performance Review

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

