

APPFOLIO INC  
Form DEFA14A  
March 31, 2016

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

---

SCHEDULE 14A INFORMATION  
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE  
SECURITIES EXCHANGE ACT OF 1934

---

Filed by the Registrant  x  
Filed by a Party other than the Registrant  o  
Check the appropriate box:

- o Preliminary Proxy Statement
- o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- x Definitive Proxy Statement
- o Definitive Additional Materials

o Soliciting Material under 240.14a-12  
AppFolio, Inc.  
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box)

x No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

o Fee paid previously with preliminary materials.

o

Edgar Filing: APPFOLIO INC - Form DEFA14A

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:
  - (4) Date Filed:
-

AppFolio, Inc.  
50 Castilian Drive  
Santa Barbara, CA 93117  
March 31, 2016

Dear AppFolio Stockholder:

I am pleased to invite you to attend the 2016 Annual Meeting of Stockholders of AppFolio, Inc. to be held on May 13, 2016 at 10:00 a.m. Pacific Daylight Time at AppFolio's offices located at 50 Castilian Drive, Santa Barbara, CA, 93117.

Details regarding the Annual Meeting and the business to be conducted are more fully described in the accompanying Notice of 2016 Annual Meeting of Stockholders and Proxy Statement.

Thank you for your ongoing support of and continued interest in AppFolio. We look forward to seeing you at our Annual Meeting.

Sincerely,

Brian Donahoo

President and Chief Executive Officer

**YOUR VOTE IS IMPORTANT**

In order to ensure your representation at the Annual Meeting, whether or not you plan to attend the meeting, please carefully read the accompanying Notice of 2016 Annual Meeting of Stockholders and Proxy Statement and vote your shares as promptly as possible using one of the voting methods described in the Proxy Statement. Your participation will help to ensure the presence of a quorum at the Annual Meeting and save AppFolio expenses associated with additional proxy solicitation.

---

NOTICE OF 2016 ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD MAY 13, 2016

Notice is hereby given that AppFolio, Inc. ("AppFolio") will hold its 2016 Annual Meeting of Stockholders (the "Annual Meeting") on May 13, 2016 at 10:00 a.m. Pacific Daylight Time at AppFolio's offices located at 50 Castilian Drive, Santa Barbara, CA, 93117 for the following purposes:

n To elect two Class I directors to a three-year term to hold office until our 2019 annual meeting of stockholders, or until the date on which their successors are duly elected and qualified;

n To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016; and

n To transact any other business that properly comes before the Annual Meeting, or any adjournment or postponement thereof.

Our board of directors recommends that you vote FOR the election of each of the director nominees and FOR the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm. On or about March 31, 2016, we mailed to our stockholders a Notice of Internet Availability of Proxy Materials (the "Notice") containing instructions on how to access our proxy statement for the Annual Meeting (the "Proxy Statement") and our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 (the "2015 Annual Report"). The Notice also provides instructions on how to vote your shares on the Internet or by telephone, as well as how to receive a paper copy of the Proxy Statement and 2015 Annual Report and vote your shares by mail. The Proxy Statement and 2015 Annual Report can be accessed directly at the Internet address [www.proxyvote.com](http://www.proxyvote.com) using the control number located on the Notice.

Only stockholders of record at the close of business on March 21, 2016 (the "Record Date") are entitled to notice of and to vote at the Annual Meeting. You are entitled to attend the Annual Meeting only if you were a stockholder as of the close of business on the Record Date or hold a valid proxy for the Annual Meeting. If you plan to attend the Annual Meeting in person, you should be prepared to present photo identification such as a valid driver's license and verification of stock ownership for admittance. If you are a stockholder of record, your ownership as of the Record Date will be verified prior to admittance to the Annual Meeting. If you are not a stockholder of record, but hold shares through a broker, trustee or other nominee, you must provide proof of beneficial ownership of shares as of the Record Date, such as a brokerage account statement or similar evidence of ownership. Please allow ample time for the admittance process.

By Order of the Board of Directors,  
Brian Donahoo  
President and Chief Executive Officer  
Santa Barbara, California  
March 31, 2016

APPFOLIO, INC.  
2016 ANNUAL MEETING OF STOCKHOLDERS  
PROXY STATEMENT  
TABLE OF CONTENTS

<u>General Information</u>	<u>1</u>
<u>Proposal One: Election of Directors</u>	<u>5</u>
<u>Corporate Governance</u>	<u>8</u>
<u>Proposal Two: Ratification of the Appointment of our Independent Registered Public Accounting Firm</u>	<u>14</u>
<u>Report of the Audit Committee</u>	<u>16</u>
<u>Executive Officers</u>	<u>17</u>
<u>Executive Compensation</u>	<u>18</u>
<u>Compensation Committee Report</u>	<u>26</u>
<u>Security Ownership of Certain Beneficial Owners and Management</u>	<u>27</u>
<u>Related Party Transactions</u>	<u>30</u>
<u>Additional Information</u>	<u>32</u>

---

PROXY STATEMENT  
FOR THE 2016 ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD MAY 13, 2016  
GENERAL INFORMATION

Our Board of Directors, or our Board, is soliciting proxies for our 2016 Annual Meeting of Stockholders, or the Annual Meeting, and at any adjournment or postponement of the Annual Meeting for the purposes set forth in this proxy statement, or this Proxy Statement, and the accompanying Notice of 2016 Annual Meeting of Stockholders.

In this Proxy Statement, the terms “AppFolio,” “the company,” “we,” “us,” and “our” refer to AppFolio, Inc. and its subsidiaries.

Please carefully review the following, which is intended to provide general information about the Annual Meeting, including the date and location of the Annual Meeting, the quorum requirement, the proposals to be voted upon, the methods available for voting your shares, and the votes required to adopt the proposals. This information is also intended to provide you with the specific information that is required to be provided under the rules and regulations of the Securities and Exchange Commission, or the SEC. If you have questions about the information provided, or would like to request additional information about the Annual Meeting or the proposals to be voted upon, please see the information under the heading “Request for Additional Information” below.

Date and Time	May 13, 2016 10:00 a.m. Pacific Daylight Time
Location	AppFolio, Inc., 50 Castilian Drive, Santa Barbara, CA, 93117
Record Date	March 21, 2016
Quorum Requirement	The holders of a majority of the voting power of our Class A Common Stock and Class B Common Stock issued and outstanding and entitled to vote on the Record Date must be present in person or represented by proxy at the Annual Meeting to constitute a quorum.
Shares Outstanding	10,646,095 shares of Class A Common Stock and 22,948,151 shares of Class B Common Stock outstanding as of the Record Date.
Notice of Internet Availability of Proxy Materials	In accordance with SEC rules and regulations, we have elected to furnish our proxy materials, including this Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, or the 2015 Annual Report, primarily via the Internet. Accordingly, on or about March 31, 2016, we mailed to our stockholders a “Notice of Internet Availability of Proxy Materials,” or the Notice, that contains instructions on how to access our proxy materials on the Internet, how to vote at the Annual Meeting, and how to request paper copies of this Proxy Statement and the 2015 Annual Report. Stockholders may request to receive all future proxy materials from us in printed form by mail or electronically by e-mail by following the instructions contained in the Notice. We encourage stockholders to take advantage of the availability of the proxy materials on the Internet to help reduce the environmental impact of our annual stockholder meetings.
Proposals to be Voted Upon	Proposal 1 - To elect two Class I directors, Andreas von Blottnitz and Janet Kerr, to a three-year term to hold office until our 2019 annual meeting of

stockholders, or until the date on which their successors are duly elected and qualified.

Proposal 2 - To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016.

#### Votes Required to Adopt Proposals

Each share of our Class A Common Stock outstanding on the Record Date is entitled to one vote on any proposal presented at the Annual Meeting. Each share of our Class B Common Stock outstanding on the Record Date is entitled to ten votes on any proposal presented at the Annual Meeting. Proposal 1 (election of Class I directors) requires a plurality of the votes cast by the holders of shares of our Class A Common Stock and Class B Common Stock present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal. This means that the two director nominees receiving the greatest number of votes will be elected as directors.

Proposal 2 (ratification of the appointment of PricewaterhouseCoopers LLP) requires a majority of the votes cast by the holders of shares of our Class A Common Stock and Class B Common Stock present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal.

#### Voting Methods - Stockholders of Record

If you are a stockholder of record, you can vote your shares using any of the following methods:

- (1) By Internet at [www.proxyvote.com](http://www.proxyvote.com) 24 hours a day, seven days a week until 11:59 p.m. Eastern time on May 12, 2016 (please have the Notice in hand when you visit the website);
- (2) By toll-free telephone at 1-800-690-6903, 24 hours a day, seven days a week until 11:59 p.m. Eastern Time on May 12, 2016 (please have the Notice in hand when you call);
- (3) If you requested to receive a paper copy of the Proxy Statement, by completing and mailing the proxy card provided with the Proxy Statement; or
- (4) By written ballot at the Annual Meeting.

In order to be counted, proxies submitted by Internet or telephone must be received by 11:59 p.m. Eastern Time on May 12, 2016. Proxy cards submitted by U.S. mail must be received before the start of the Annual Meeting.

#### Voting Methods - Beneficial Owner

If you are the beneficial owner of shares held in "street name" through a broker, trustee or other nominee, please follow the voting instructions provided to you by that firm in order to vote your shares.

#### Revoking Your Proxy

If you are a stockholder of record, you may revoke your proxy by (i) voting again using the Internet or telephone before the cutoff time (your latest Internet or telephone proxy is the one that will be counted), (ii) attending the Annual Meeting and voting in person, or (iii) sending a written notice that you are revoking your proxy to AppFolio, Inc., 50 Castilian Drive, Santa Barbara, CA, 93117, Attn: Chief Financial Officer.



If you are a beneficial owner, please follow the instructions provided to you by your nominee in order to revoke your proxy.

Broker Non-Votes

Broker non-votes occur when a beneficial owner of shares held in “street name” does not give instructions to the broker, trustee or other nominee holding the shares as to how to vote on matters that are deemed to be “non-routine” under applicable stock exchange rules. Generally speaking, the beneficial owner of the shares is entitled to give voting instructions to the nominee holding the shares, and the nominee will vote those shares in accordance with the instructions. If the beneficial owner does not provide voting instructions, the nominee can still vote the shares with respect to matters that are considered to be “routine,” but cannot vote the shares with respect to matters that are considered “non-routine”. In the event that a nominee votes shares on the “routine” matters, but does not vote shares on the “non-routine” matters, those shares will be treated as broker non-votes with respect to the “non-routine” matters.

Proposal 1 (election of Class I directors) is considered to be a “non-routine” matter under applicable stock exchange rules. Accordingly, any shares you hold through a nominee will not be voted in the election of directors unless you affirmatively provide the nominee instructions on how to vote. Proposal 2 (ratification of the appointment of PricewaterhouseCoopers LLP) is considered to be a “routine” matter such that nominees are permitted to vote shares held by them without instruction on this proposal. If you are the beneficial owner of shares held through a nominee, please be sure to instruct the nominee how to vote your shares to ensure that your vote is counted with respect to each of the proposals.

Effect of Abstentions

An abstention represents a stockholder’s affirmative choice to decline to vote on a proposal. If a stockholder of record indicates that it wishes to abstain from voting its shares, or if a broker, bank or other nominee holding its customers’ shares of record causes abstentions to be recorded for shares, these shares will be considered present and entitled to vote at the Annual Meeting. As a result, abstentions will be counted for purposes of determining the presence or absence of a quorum. In addition, abstentions will count as votes against a proposal in cases where approval of the proposal requires the affirmative vote of a majority of the votes cast by the holders of our Class A Common Stock and Class B Common Stock present in person or represented by proxy and entitled to vote at the Annual Meeting. Accordingly, abstentions will be counted as a vote against Proposal 2 (ratification of the appointment of PricewaterhouseCoopers LLP). However, because the outcome of Proposal No. 1 (election of Class I directors) will be determined by a plurality vote of the votes cast, abstentions will have no impact on the outcome of this proposal as long as a quorum exists.

Effect of Broker Non-Vote

Broker non-votes will be counted for purposes of calculating whether a quorum is present at the Annual Meeting, but will not be counted for purposes of determining the number of votes cast on any proposal. While broker non-votes will make a quorum more readily attainable, they will not affect the outcome of the vote on Proposal 1 (election of Class I directors) since the outcome will be determined by a plurality vote. Proposal 2 (ratification of the appointment of PricewaterhouseCoopers LLP) is considered to be a “routine” matter under applicable rules. Accordingly, a nominee may generally vote on routine matters without instruction, and therefore broker non-votes are not expected to exist in connection with this proposal.

Voting Instructions

If you complete and submit your proxy voting instructions, the persons named as proxies will follow your instructions. If you submit proxy voting instructions, but do not direct how your shares should be voted on each item, the persons named as proxies will vote FOR the election of each of the nominees for director and FOR the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm.

Our Board does not presently know of any other business, other than that described in this Proxy Statement, that will be presented for consideration by our stockholders at the Annual Meeting. As to any business that may properly come before the Annual Meeting, however, it is intended that the shares of our Class A Common Stock and Class B Common Stock represented by proxies will be voted in respect thereof in accordance with the judgment of the persons voting such proxies.

Additional Solicitation/Costs

We are paying for the distribution of the proxy materials and the solicitation of proxies in connection with the Annual Meeting. As part of this process, we reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to our stockholders. Proxy solicitation expenses that we will pay include those for preparation of the Proxy Statement, mailing the Notice, printing and mailing the Proxy Statement (to the extent requested by stockholders) and tabulating proxies. Our directors, officers and employees may solicit proxies on our behalf, including in person, or by telephone, email or facsimile, but they will not receive additional compensation for providing those services.

Emerging Growth Company

We qualify as an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. An emerging growth company may take advantage of specified reduced reporting requirements that are otherwise applicable generally to public companies. These provisions include:

- (1) reduced disclosure about our executive compensation arrangements; and
- (2) exemptions from the requirements to obtain a non-binding advisory vote on executive compensation or a stockholder approval of any golden parachute arrangements.

We will remain an emerging growth company until the earliest to occur of: (i) the last day of the fiscal year in which we have more than \$1.0 billion in annual revenue; (ii) the end of the fiscal year in which the market value of our common stock that is held by non-affiliates exceeds \$700 million as of the end of the second quarter of that fiscal year; (iii) the issuance, in any three-year period, by us of more than \$1.0 billion in non-convertible debt securities; and (vi) the last day of the fiscal year ending after the fifth anniversary of our initial public offering, or IPO. You should review this Proxy Statement with the understanding that the information contained herein may be different than the information you receive from other public companies in which you hold stock.

Voting Results

In accordance with SEC rules, final voting results will be published in a Current Report on Form 8-K within four business days following the Annual Meeting, unless final results are not known at that time, in which case preliminary voting results will be published within four business days of the Annual Meeting and final voting results will be published once they are known by us.

Request for Additional Information

If you have additional questions about this Proxy Statement or the Annual Meeting, please contact: AppFolio, Inc., 50 Castilian Drive, Santa Barbara, California 93117, Attn: Chief Financial Officer, send an email to: [cfo@appfolio.com](mailto:cfo@appfolio.com).

PROPOSAL ONE:  
ELECTION OF DIRECTORS

Board Structure

The number of our directors is fixed by our Board, subject to the terms of our amended and restated certificate of incorporation and amended and restated bylaws. We have a classified Board consisting of three classes of directors, each serving staggered three-year terms. Our directors are divided among the three classes as follows:

Class I consists of Andreas von Blottnitz and Janet Kerr, whose terms will expire at our Annual Meeting;

Class II consists of James Peters, William Rauth and Klaus Schauser, whose terms will expire at our annual meeting of stockholders to be held in 2017; and

Class III consists of Timothy Bliss and Brian Donahoo, whose terms will expire at our annual meeting of stockholders to be held in 2018.

Directors in a particular class will be elected for a three-year term at the annual meeting of stockholders in the year in which the term of that class of directors expires. As a result, only one class of directors will be elected at each annual meeting of stockholders, with the other classes continuing for the remainder of their respective three-year terms. Each director's term continues until the election and qualification of his or her successor, or his or her earlier death, resignation or removal. Any newly created directorships resulting from an increase in the number of directors or a vacancy may be filled by the directors then in office.

Directors may only be removed for cause by the affirmative vote of the holders of a majority of the combined voting power of the outstanding shares of our capital stock. Because only approximately one-third of our directors will be elected at each annual meeting, two consecutive annual meetings of stockholders could be required for stockholders to change a majority of our Board.

Director Nominees and Continuing Directors

The following table sets forth certain summary information concerning our director nominees and continuing directors as of March 31, 2016:

Name	Class	Age	Position	Director Since	Current Term Expires
Nominees:					
Andreas von Blottnitz <sup>(1)(2)</sup>	I	50	Chairperson of the Board of Directors	2007	2016
Janet Kerr <sup>(1)(2)(3)</sup>	I	61	Chairperson of the Nominating and Corporate Governance Committee	2015	2016
Continuing Directors:					
Timothy Bliss <sup>(3)</sup>	III	63	Director	2008	2018
James Peters <sup>(1)(3)</sup>	II	69	Chairperson of the Audit Committee	2015	2017
William Rauth <sup>(2)</sup>	II	72	Chairperson of the Compensation Committee	2015	2017
Brian Donahoo	III	52	President, Chief Executive Officer and Director	2007	2018
Klaus Schauser	II	53	Chief Strategist, Founder and Director	2007	2017

(1) Serves as a member of our audit committee.

(2) Serves as a member of our compensation committee.

(3) Serves as a member of our nominating and corporate governance committee.

The biographies of each of the director nominees and continuing directors below contain information regarding each such person's service as a director, business experience, public company director positions held currently or at any time during the last five years and the experiences, qualifications, attributes or skills that caused our Board to determine that the person should serve as a director. In addition to the information presented below regarding each director nominee's and continuing director's specific experience, qualifications, attributes and skills, that we believe that each of our directors has a reputation for integrity,



honesty and adherence to high ethical standards. Each of our directors has also demonstrated business acumen and an ability to exercise sound judgment, as well as a commitment of service to our company, our stockholders and our Board.

Director Nominees: Nominees for Election at the Annual Meeting for a Three-Year Term Expiring at the 2019 Annual Meeting of Stockholders

(Class I Directors)

Andreas von Blottnitz has served as a member of our Board since 2007. Mr. von Blottnitz is a former venture partner of BV Capital Management, LLC, or BV Capital, which he joined in 2005. He currently serves on the board of directors of a number of private companies. From 1999 to 2004, he served as the Chief Executive Officer of Expertcity, Inc., which was acquired by Citrix Systems, Inc. (NASDAQ: CTXS) in 2004. Mr. von Blottnitz received a B.A. in Business Sciences from Wirtschaftsakademie in Hamburg, Germany.

We believe Mr. von Blottnitz's background as a director and officer of multiple companies in the technology industry, his extensive investing experience, and his leadership and strategic planning skills qualify him to serve on our Board.

Janet Kerr has served as a member of our Board since June 2015. Ms. Kerr is the Vice Chancellor of Pepperdine University and former Professor Emeritus, founder and Executive Director of the Geoffrey H. Palmer Center for Entrepreneurship and the Law at Pepperdine University School of Law. She is a well-known author in the areas of securities, corporate law and corporate governance, having published several articles and a book on the subjects. Ms. Kerr has founded or co-founded several technology companies, including X-Labs. She is currently a member of the National Association of Corporate Directors, and of counsel to Nave & Cortell LLP. Ms. Kerr is a member of the board of directors, nominating and corporate governance committee and the compensation committee of La-Z-Boy, Inc. (NYSE: LZB), a furniture retailer and manufacturer. Ms. Kerr is also a member of the board of directors and chair of the nominating and corporate governance committee of Tilly's, Inc. (NYSE: TLYS), a retailer of action sports inspired apparel, footwear and accessories. Additionally, she is a member of the board of directors of Fidelity National Financial (NYSE: FNF).

We believe Ms. Kerr's extensive corporate governance experience, together with her experience serving on the board of directors of other public companies, qualify her to serve on our Board.

Continuing Directors: Continuing in Office with a Term Expiring at the 2017 Annual Meeting of Stockholders

(Class II Directors)

James Peters has served as a member of our Board since June 2015. Mr. Peters served as a partner in the audit practice of Ernst & Young for 24 years, during which time he held a number of administrative positions, including Pacific Southwest Area Resource & Production Management Partner and member of the Pacific Southwest Area Assurance and Advisory Business Services Leadership Committee. From 2007 until 2014, he served as a member of the board of directors and chair of the audit committee of Conversant, Inc. (NASDAQ: CNVR), until it was acquired by Alliance Data Systems Corporation (NYSE: ADS) and, from 2006 until 2007, he served as a member of the board of directors and chair of the audit committee of Natrol, Inc. (NASDAQ: NTOL), which was acquired by Plethico Pharmaceutical Limited, a company that is publicly-traded on the National Stock Exchange of India Ltd. Mr. Peters also currently serves as a member of the board of directors of a private company. He is a member of the National Association of Corporate Directors and also completed the Director's Training Program at the UCLA Anderson School of Management, where he was also an instructor of the Program. Mr. Peters received a Certificate of Management Accounting from the Institute of Management Accountants and earned his CPA license (inactive) from the State of California.

We believe Mr. Peters's extensive accounting and auditing experience, together with his experience serving on the board of directors of multiple public companies, qualify him to serve on our Board.

William Rauth has served as a member of our Board since June 2015. Mr. Rauth has been a partner of the Investment Group of Santa Barbara, or IGSB, for over 40 years. He was a founder of the law firm, Stradling Yocca Carlson & Rauth, P.C., where his practice focused on corporate and securities transactions for over 20 years until his retirement from the legal profession. Mr. Rauth has consulted with, and served on, the board of directors of numerous public and private companies. He received a B.A. in Economics from the University of California, Santa Barbara, and a J.D. from

the University of California, Berkeley.

We believe Mr. Rauth's significant experience working with companies in various industries and different stages of the corporate lifecycle, as well as his extensive legal experience, qualify him to serve on our Board.

Klaus Schauer co-founded AppFolio in 2006 and has served as our Chief Strategist and a director since 2007.

Mr. Schauer was a co-founder and, from 1999 to 2005, the Chief Technology Officer, of Expertcity, Inc., which was acquired by Citrix Systems,



Inc. (NASDAQ: CTXS) in 2004. He has also served as a Professor of Computer Science at the University of California, Santa Barbara. Mr. Schauer received a Ph.D. in Computer Science from the University of California, Berkeley.

We believe Mr. Schauer's background as the founder of two cloud-based solution providers, as well as his deep industry and technology experience, qualify him to serve on our Board.

Continuing Directors: Continuing in Office with a Term Expiring at the 2018 Annual Meeting of Stockholders (Class III Directors)

Timothy Bliss has served as a member of our Board since 2008. Mr. Bliss has been a partner of IGSB for over 30 years. He also serves on the board of directors of a private company. He received a B.A. from Harvard College and an M.B.A. from the Stanford Graduate School of Business.

We believe Mr. Bliss's eight years of experience with AppFolio and his long history of investing in and building technology companies qualify him to serve on our Board.

Brian Donahoo has served as our President and Chief Executive Officer and as a director since 2007. From 1999 to 2007, Mr. Donahoo served as the Senior Vice President for Products and Services at Expertcity, Inc. a provider of web-based remote desktop access software, which was acquired by Citrix Systems, Inc. (NASDAQ: CTXS) in 2004.

Previously, Mr. Donahoo served as Site Director at Stream International, a provider of services to the technology industry, from 1995 to 1999. Mr. Donahoo received a B.S. in Psychology from Colorado State University.

We believe Mr. Donahoo's valuable perspective and experience as our President and Chief Executive Officer, considerable experience in the software industry, and extensive leadership skills qualify him to serve on our Board.

Election of Director Nominees

At the Annual Meeting, our stockholders are being asked to vote for Mr. von Blottnitz and Ms. Kerr, the Class I director nominees listed above, to serve on our Board until our annual meeting of stockholders to be held in 2019 and until each of their successors has been elected and qualified, or until such director's earlier death, resignation or removal. Each of these nominees is a current member of our Board, whose term expires at the Annual Meeting. Each of these nominees has consented to serve if elected.

Provided that a quorum of stockholders is present at the Annual Meeting, directors will be elected by a plurality of the votes cast by the holders of shares of our Class A Common Stock and Class B Common Stock present in person or represented by proxy at the Annual Meeting entitled to vote on this proposal. Broker non-votes and abstentions will not be treated as votes cast for this purpose and, therefore, will not affect the outcome of the election.

Unless you direct otherwise through your proxy voting instructions, the persons named as proxies will vote all proxies received FOR the election of each of the director nominees. If any nominee is unable or unwilling to serve at the time of the Annual Meeting, the persons named as proxies may vote for a substitute nominee chosen by our Board. In the alternative, the proxies may vote only for the remaining nominees, leaving a vacancy on our Board.

Recommendation of the Board

**OUR BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF EACH OF THE DIRECTOR NOMINEES.**

## CORPORATE GOVERNANCE

### Director Independence

Our Board has undertaken a review of the independence of each of our directors and director nominees and affirmatively determined that Messrs. von Blottnitz, Bliss, Peters and Rauth and Ms. Kerr do not have relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors meets the definition of “independent director” under the applicable NASDAQ listing standards. In making these determinations, our Board considered the current and prior relationships that each director and director nominee has with our company and all other facts and circumstances our Board deemed relevant. Messrs. Donahoo and Schauser do not meet the definition of “independent director” as they are currently our executive officers.

### Family Relationships

There are no family relationships between any director, executive officer or person nominated to become a director or executive director.

### Agreements with Directors and Executive Officers

None of the directors, executive officers, or director nominees was selected pursuant to any arrangement or understanding, other than with the directors or officers of the Company acting within their capacity as such.

### Legal Proceedings with Directors and Executive Officers

There are no legal proceedings related to any of our directors, executive officers, or director nominees which require disclosure pursuant to SEC rules and regulations.

### Board Leadership Structure

The positions of Chairperson of our Board and Chief Executive Officer are presently separated. We believe that separating these positions allows our Chief Executive Officer to focus on our day-to-day business, while allowing our Chairperson to lead our Board in its fundamental role of providing advice to and independent oversight of management. Our Board recognizes the time, effort and energy that our Chief Executive Officer is required to devote to his position in the current business environment, as well as the commitment required to serve as our Chairperson, particularly as our Board’s oversight responsibilities continue to grow. While our amended and restated bylaws and corporate governance guidelines do not require that our Chairperson and Chief Executive Officer positions be separate, our Board believes that having separate positions is the appropriate leadership structure for us at this time and demonstrates our commitment to good corporate governance.

### Board Role in Risk Oversight

Our Board has an active role, as a whole and also at the committee level, in overseeing the management of our risks. Our Board is responsible for general oversight of risks and regular review of information regarding our risks, including financial, strategic and operational risks. Our audit committee is responsible for overseeing the management of risks relating to accounting matters and financial reporting and implementing our related party transaction policy. Our compensation committee is responsible for overseeing the management of risks relating to our executive compensation plans and arrangements, and whether our compensation policies and programs have the potential to encourage excessive risk taking. Our nominating and corporate governance committee is responsible for overseeing our corporate governance practices and policies, and the management of risks associated with the independence of our Board. Although each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board is regularly informed through discussions from committee members about such risks. Our Board believes its leadership structure is consistent with and supports the administration of its risk oversight function.

### Board Meetings

During 2015, our Board held 11 meetings. Each director attended at least 75% of the aggregate of the total number of meetings of our Board held during the period such director served and 75% of the total number of meetings held by any of the committees of our Board on which such director served during such period.

#### Director's Attendance at Annual Stockholder Meetings

Although we do not have a formal policy requiring our directors to attend our annual meetings of stockholders, our directors are strongly encouraged to attend these meetings.

#### Executive Sessions

In accordance with the applicable NASDAQ listing standards, our independent directors meet in regularly scheduled executive sessions at which only independent directors are present.

#### Committees of our Board

Our Board has established three permanent committees: our audit committee; our compensation committee; and our nominating and corporate governance committee. Our Board has adopted written charters for each of these committees, all of which satisfy the applicable NASDAQ listing standards and are available on our website at <http://ir.appfolioinc.com>. The information included on or accessed through our website does not constitute part of this Proxy Statement and shall not be deemed to be "soliciting material" for purposes of the Securities and Exchange Act of 1934, as amended, or the Exchange Act. You should not consider such information in determining how to vote your shares. References in this Proxy Statement to our website address are inactive textual references only.

In addition, from time to time, special committees may be established under the direction of our Board when necessary to address specific issues. Members will serve on these committees until their resignation or until otherwise determined by our Board.

The composition and responsibilities of each of our three permanent committees are described below:

#### Audit Committee

Our audit committee, which met eight times during 2015, currently consists of Messrs. Peters and von Blottnitz and Ms. Kerr, each of whom has been determined to satisfy the independence and financial literacy requirements under applicable SEC rules and regulations and applicable NASDAQ listing standards. Mr. Peters serves as the Chairperson of our audit committee. Our Board has affirmatively determined that Mr. Peters is an "audit committee financial expert" within the meaning of Item 407(d) of Regulation S-K under the Securities Act of 1933, as amended, or the Securities Act.

Our audit committee is responsible for, among other things:

- appointing, terminating, compensating and overseeing the work of any independent registered public accounting firm engaged to prepare or issue an audit report or other audit, review or attest services;
- monitoring and evaluating the independent registered public accounting firm's qualifications, performance and independence on an ongoing basis;
- reviewing and discussing with management and the independent registered public accounting firm our annual and quarterly financial statements;
- reviewing and discussing the adequacy and effectiveness of our auditing, accounting and financial reporting processes and systems of internal control that are followed by the independent registered public accounting firm, our internal audit function and our financial and senior management;
- establishing and overseeing procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls or auditing matters, including procedures for the confidential, anonymous submission by our employees regarding questionable accounting or auditing matters;
- investigating any matter within the scope of its duties brought to its attention and engaging independent counsel and other advisors as our audit committee deems necessary;
- reviewing and approving related party transactions for potential conflict of interest situations on an ongoing basis;
- reviewing and assessing the adequacy of its written charter on an annual basis; and
- overseeing such other matters as are specifically delegated to our audit committee by our Board from time to time.

#### Compensation Committee

Our compensation committee, which met 10 times during 2015, currently consists of Messrs. Rauth and von Blottnitz and Ms. Kerr, each of whom has been determined to be an independent director under applicable SEC rules and regulations and applicable NASDAQ listing standards. Each member of our compensation committee is also a non-employee director, as defined by Rule 16b-3 promulgated under the Exchange Act, and an outside director, as defined by Section 162(m) of the Internal Revenue Code. Mr. Rauth serves as Chairperson of our compensation committee.

Our compensation committee is responsible for, among other things:

assisting our Board in developing and reviewing the compensation programs and strategy applicable to our directors and senior management, and overseeing our overall compensation philosophy;

reviewing and recommending to our Board for approval our cash and equity incentive plans, including individual grants or awards thereunder;

reviewing and recommending to our Board for approval the terms of any employment agreement, severance or change-in-control arrangement, or other compensatory arrangement with any executive officers or other key employees;

reviewing and discussing with management the tables and narrative discussion regarding executive officer and director compensation to be included in our annual proxy statement including such information included in this Proxy Statement;

reviewing and assessing the adequacy of its written charter on an annual basis; and

overseeing such other matters as are specifically delegated to our compensation committee by our Board from time to time.

#### Nominating and Corporate Governance Committee

Our nominating and corporate governance committee, which met two times during 2015, consists of Ms. Kerr and Messrs. Bliss and Peters each of whom has been determined to be an independent director under applicable NASDAQ listing standards. Ms. Kerr serves as Chairperson of our nominating and corporate governance committee.

Our nominating and corporate governance committee is responsible for, among other things:

assisting our Board in identifying individuals qualified to become Board members, consistent with criteria approved by our Board;

recommending that our Board select the director nominees for election at each annual meeting of stockholders or filling newly created directorships and vacancies on our Board in accordance with our amended and restated bylaws;

developing and recommending to our Board such corporate governance guidelines and procedures as the committee determines is appropriate from time to time;

overseeing the evaluation of our Board and of each committee of our Board;

generally advising our Board on corporate governance and related matters;

reviewing and assessing the adequacy of its written charter on an annual basis; and

overseeing such other matters as are specifically delegated to our nominating and corporate governance committee by our Board from time to time.

#### Stockholder Nomination of Directors

Stockholders may submit recommendations for director candidates to nominating and corporate governance committee by sending the candidates name and qualifications to: AppFolio, Inc., 50 Castilian Drive, Santa Barbara, CA, 93117, Attn: Chief Financial Officer, or by email to: cfo@appfolio.com. Our Chief Financial Officer will forward all recommendations to our nominating and corporate governance committee. Our nominating and corporate governance committee will review and consider any director candidate's recommended by our stockholders against the same criteria and pursuant to the same policies and procedures applicable to the evaluation of candidates proposed by directors, management, or any other party, so long as such directors have been nominated in accordance with the procedures set forth in our amended and restated certificate of incorporation and amended and restated bylaws. See the section entitled "Additional Information - Procedures for Submitting Stockholder Proposals" for additional information.



### Director Qualifications

Our nominating and corporate governance committee consults with other members of our Board and management in identifying and evaluating candidates for director. Our nominating and corporate governance committee and our Board believe that candidates for director should have certain minimum qualifications. Consistent with the terms of our Corporate Governance Guidelines, the current minimum selection criteria established by our nominating and corporate governance committee include, without limitation:

each director should be committed to enhancing long-term stockholder value and must possess a high level of integrity, personal and professional ethics, and sound business judgment;

each director should be free of any conflicts of interest which would violate applicable laws, rules, regulations or listing standards, conflict with any of our corporate governance policies or procedures, or interfere with the proper performance of his or her responsibilities;

each director should possess experience, skills and attributes which enhance his or her ability to perform duties on our behalf. In assessing these qualities, the nominating and corporate governance committee will consider such factors as (i) personal qualities, skills and attributes, (ii) expertise in specific business areas, including accounting, marketing, strategy, financial reporting or corporate governance, and (iii) professional experience in the software industry or similar industries. The nominating and corporate governance committee may also consider such other factors as it determines would reasonably be expected to contribute to the overall effectiveness of our Board;

each director should have the ability and willingness to devote the necessary time and effort to perform the duties and responsibilities of Board membership; and

each director should demonstrate his or her understanding that his or her primary responsibility is our stockholders, and that his or her primary goal is to serve the best interests of those stockholders, and not his or her personal interest or the interest of a particular group or stockholder.

Other requirements, such as industry experience or experience in a particular business discipline, that are expected to contribute to our Board's overall effectiveness and meet the needs of our Board and its committees, may also be considered. We value diversity on a company-wide basis and seek to achieve a diversity of professional experiences and personal backgrounds on our Board, but have not adopted a specific policy regarding board diversity.

### Codes of Business Conduct and Ethics

We have adopted a code of business conduct and ethics relating to the conduct of our business that is applicable to all of our employees, officers and directors, as well as a separate code of business conduct and ethics that is applicable to our Chief Executive Officer and senior financial officers, both of which are available on our website at <http://ir.appfolioinc.com>. We expect that any amendment to either code of business conduct and ethics, or any waivers of their respective requirements that are applicable to our executive officers or directors, will be disclosed on our website or in our future filings with the SEC under the Exchange Act.

### Stockholder Communications with our Board

Our Board provides our stockholders the ability to communicate with our Board as a whole, and with our individual directors through an established process for stockholder communication. For a stockholder communication directed to our Board as a whole, stockholders and other interested parties may send such communication to the attention of the Board of Directors at [cfo@appfolio.com](mailto:cfo@appfolio.com) or via U.S. Mail or Expedited Delivery Service to: AppFolio, Inc., 50 Castilian Drive, Santa Barbara, CA, 93117, Attn: Board of Directors c/o Chief Financial Officer. For a stockholder communication directed to an individual director in his or her capacity as a member of our Board, stockholders and other interested parties may send such communication to the attention of the individual director at [cfo@appfolio.com](mailto:cfo@appfolio.com) or via U.S. Mail or Expedited Delivery Service to: AppFolio, Inc., 50 Castilian Drive, Santa Barbara, CA, 93117, Attn: [Name of Individual Director] c/o Chief Financial Officer.

We will review all incoming stockholder communications and will promptly forward such communications to the director(s) to whom such communications are addressed. We will generally not forward communications that are unrelated to the duties and responsibilities of our Board, including communications that we determine to be primarily commercial in nature, product complaints or inquires, and materials that are patently offensive or otherwise inappropriate.



### Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee is or has ever been an officer or employee of our company or any of its subsidiaries. Except as disclosed in the section entitled “Related Party Transactions,” none of the members of our compensation committee had any relationship with our company during 2015 requiring disclosure under Item 404 of Regulation S-K. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee (or other committee performing equivalent functions) of any entity that has one or more executive officers serving on our Board or compensation committee.

We have entered into an indemnification agreement with each of our directors, including each of the members of our compensation committee. See the section entitled “Related Party Transactions” for additional information.

### Director Compensation Policy

Prior to May 2015, our non-employee directors did not receive any compensation for their service on our Board or committees of our Board. In May 2015, our Board approved a director compensation policy which became effective upon the completion of our IPO. Under this policy, we pay our non-employee directors a cash retainer for service on our Board and for service on each committee on which the director is a member. The Chairperson of each committee receives a higher retainer for such service, although the Chairperson of our Board currently receives the same retainer as the other directors.

The fees we pay to our non-employee directors for service on our Board and for service on each committee are as follows:

	Director Annual Retainer	Chairperson Annual Retainer
Board of Directors	\$30,000	\$30,000
Audit Committee	7,500	15,000
Compensation Committee	5,000	10,000
Nominating and Corporate Governance Committee	5,000	10,000

In addition, each non-employee director receives an annual restricted stock grant of our Class A common stock with a fair market value of \$100,000. Each such restricted stock grant will vest in full on the one-year anniversary of the grant date, subject to the director’s continuous service. The initial restricted stock grants were made at the price at which we sold shares of our Class A Common Stock in our IPO, which was \$12.00. Subsequent restricted stock grants are expected to be made on or around the date of each annual meeting of stockholders, and will be made at fair market value on the grant date. All unvested shares of restricted stock granted to the non-employee directors pursuant to the policy will immediately vest in full upon a change-in-control transaction. All restricted stock grants to our non-employee directors are expected to be made pursuant to the 2015 Stock Incentive Plan, or 2015 Plan. See the section entitled “Executive Compensation - Stock Incentive Plans - 2015 Stock Incentive Plan” for additional information.

Notwithstanding the foregoing, our non-employee directors who beneficially own 5% or more of our outstanding capital stock will not be eligible to participate in our director compensation policy. Accordingly, Messrs. Bliss and Rauth are not currently eligible to receive compensation pursuant to our director compensation policy.

We reimburse all of our non-employee directors for reasonable travel and out-of-pocket expenses incurred in connection with attending our Board and committee meetings.

Our directors who are also our employees receive no additional compensation for their service as directors, and none of such directors serve on any Board committees. During 2015, and as of the date of this Proxy Statement, Messrs. Donahoo and Schauser were our employees. See the section entitled “Executive Compensation” for additional information.



## Director Compensation Table

The following table provides information regarding the total compensation that was granted or paid to each of our directors who was not our employee or a beneficial owner of 5% or more of our capital stock, during 2015:

Directors Eligible to Receive Compensation	Fees Earned or Paid in Cash <sup>(1)</sup>	Restricted Stock Awards		Total Compensation
		Valuation <sup>(2)</sup>	Shares <sup>(3)</sup>	
Andreas von Blottnitz	\$21,250	\$100,000	8,333	\$121,250
Janet Kerr	26,250	100,000	8,333	126,250
James Peters	25,000	100,000	8,333	125,000

(1) Amounts in this column reflect the aggregate cash retainer earned by each director for Board and committee service during 2015 following the completion of our IPO.

Amounts in this column reflect the total grant date fair market value of each award computed in accordance with the Financial Accounting Standards Board's (FASB) Accounting Standard Codification 718, or ASC 718. These amounts do not necessarily reflect the actual value realized or to be realized by the non-employee directors or the amount of stock-based compensation expense reported within our consolidated financial statements. Assumptions used in the calculation of these amounts are included in Note 2 of the notes to our consolidated financial statements included in our 2015 Annual Report. As required by SEC rules and regulations, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions.

Amounts in this column reflect the aggregate number of shares granted to each of the directors during 2015 pursuant to our director compensation policy. Each of these shares will vest in full on June 25, 2016, the one-year anniversary of the grant date.

## PROPOSAL TWO:

RATIFICATION OF THE APPOINTMENT OF OUR  
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Our audit committee has appointed PricewaterhouseCoopers LLP as our independent registered public accounting firm to perform the audit of our consolidated financial statements for the fiscal year ending December 31, 2016.

PricewaterhouseCoopers LLP served as our independent registered public accounting firm since 2011.

Our audit committee annually reviews the independent registered public accounting firm's independence, including reviewing all relationships between the firm and us and any disclosed relationships or services that may impact the objectivity and independence of the firm, as well as the firm's performance. As a matter of good corporate governance, our Board is submitting the appointment of PricewaterhouseCoopers LLP to our stockholders for ratification.

We expect that a representative of PricewaterhouseCoopers LLP will attend the Annual Meeting. The representative will have an opportunity to make a statement if he or she so chooses. The representative will also be available to respond to appropriate questions from stockholders.

The affirmative vote of a majority of the votes cast by the holders of shares of our Class A Common Stock and Class B Common Stock present in person or represented by proxy at the Annual Meeting and entitled to vote will be required to ratify the appointment of PricewaterhouseCoopers LLP. Abstentions will have the same effect as a vote against the proposal. Broker non-votes will be counted toward a quorum, but will not be counted for the purpose of determining whether this proposal has been approved.

Unless you direct otherwise through your proxy voting instructions, the persons named as proxies will vote all proxies received FOR the ratification of the appointment of PricewaterhouseCoopers LLP.

If our stockholders fail to ratify the appointment of PricewaterhouseCoopers LLP, our audit committee will reconsider whether to retain the firm. Even if the selection is ratified, our audit committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in our best interests and the best interests of our stockholders.

## Recommendation of our Board

**OUR BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2016.**

## Audit Fees

The following table sets forth the fees billed or expected to be billed by PricewaterhouseCoopers LLP for audit, audit-related, tax and all other services rendered for 2015 and 2014 (in thousands):

	2015	2014
Audit Fees	\$1,402	\$685
Audit Related Fees	—	—
Tax Fees	177	—
All Other Fees	2	—
	\$1,581	\$685

Audit Fees. Represents fees billed for professional services provided in connection with the audit of our annual financial statements, reviews of our quarterly financial statements, services provided in connection with the submission of our Registration Statement on Form S-1 in connection with our IPO, services in connection with our Registration Statements on Form S-8, and consultations on accounting matters directly related to the audit.

Audit Related Fees. There were no fees billed by Pricewaterhouse Coopers LLP for professional services under "Audit Related Fees."

Tax Fees. Represents fees billed for tax studies and tax compliance services.

All Other Fees. Represents license fees for accounting research software.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm

We have adopted a policy under which our audit committee must pre-approve all audit and permissible non-audit services to be provided by our independent registered public accounting firm. As part of this review, our audit committee also considers whether the categories of pre-approved services are consistent with the rules on accountant independence of the SEC and the Public Company Accounting Oversight Board, or PCAOB. Our audit committee has pre-approved all services performed since the pre-approval policy was adopted.

In addition, in the event time constraints require pre-approval prior to our audit committee's next scheduled meeting, our audit committee has authorized its Chairperson to pre-approve services. Engagements pre-approved by the Chairperson are to be reported to the audit committee at its next scheduled meeting.

## REPORT OF THE AUDIT COMMITTEE

The audit committee is a committee of the Board of Directors comprised solely of independent directors as required by the NASDAQ listing standards and the rules and regulations of the SEC. The audit committee operates under a written charter approved by the Board, which is available on our website. The composition of the audit committee, the attributes of its members and the responsibilities of the audit committee, as reflected in its charter, are intended to be in accordance with applicable requirements for corporate audit committees. The audit committee reviews and assesses the adequacy of its charter and the audit committee's performance on an annual basis.

With respect to the company's financial reporting process, the management of the company is responsible for (1) establishing and maintaining internal controls and (2) preparing the company's consolidated financial statements. Our independent registered public accounting firm, PricewaterhouseCoopers LLP, or PwC, is responsible for auditing these financial statements. It is the responsibility of the audit committee to oversee these activities. It is not the responsibility of the audit committee to prepare our financial statements. These are the fundamental responsibilities of management. In the performance of its oversight function, the audit committee has:

Reviewed and discussed the audited financial statements with management and PwC;  
Discussed with PwC the matters required to be discussed by the statement on Auditing Standards No. 16, as amended and as adopted by the PCAOB in Rule 3200T; and

Received the written disclosures and the letter from PwC required by applicable requirements of the PCAOB regarding the independent accountant's communications with the audit committee concerning independence, and has discussed with PwC its independence.

Based on the audit committee's review and discussions with management and PwC, the audit committee recommended to the Board that the audited consolidated financial statements be included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2015, for filing with the SEC.

Respectfully submitted by the members of the audit committee of the board of directors:

James Peters (Chairperson)

Janet Kerr

Andreas von Blottnitz

In accordance with SEC rules and regulations, this Report of the Audit Committee will not be deemed to be part of or incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933, as amended, or the Securities Act, or under the Securities Exchange Act of 1934, as amended, or the Exchange Act, except to the extent that we specifically incorporate this information by reference, and will not otherwise be deemed "soliciting material" or "filed" under either the Securities Act or the Exchange Act.

**EXECUTIVE OFFICERS**

The following table sets forth certain summary information concerning our executive officers as of March 31, 2016:

Name	Age	Position
Executive Officers:		
Brian Donahoo	52	President, Chief Executive Officer and Director
Klaus Schauer	53	Chief Strategist, Founder and Director
Ida Kane	46	Chief Financial Officer
Jonathan Walker	47	Chief Technology Officer and Founder

The biographies of each of our executive officers below contain information regarding each such person's relevant business experience during at least the past five years.

See the section entitled "Proposal One: Election of Directors - Director Nominees and Continuing Directors" for biographical information regarding Messrs. Donahoo and Schauer.

Ida Kane has served as our Chief Financial Officer since February 2015. From 2010 to 2015, Ms. Kane served as Chief Financial Officer and Corporate Secretary of Rightscale, Inc., a cloud-based solution provider. From 2005 to 2009, Ms. Kane served as Chief Financial Officer at thinkorswim Group Inc. (NASDAQ: SWIM), an online option trading and investor education company, until its sale to TD Ameritrade Holding Corporation (NYSE: AMTD). Prior to joining thinkorswim Group Inc., Ms. Kane served as Chief Financial Officer and Vice President of Operations of a business unit of Franklin Covey Co. (NYSE: FC). Ms. Kane received a B.S. in Accounting and an M.B.A. from the University of Miami in Florida and earned her CPA license (inactive) from the State of Florida.

Jonathan Walker co-founded AppFolio in 2006 and has served as our Chief Technology Officer since 2006. Prior to co-founding AppFolio, in 2004, Mr. Walker co-founded Versora, Inc., a provider of software products and professional integration services, and served as its Chief Technology Officer from 2004 to 2006. Prior to founding Versora, Inc., Mr. Walker served as Chief Technology Officer of Miramar Systems, Inc., a data migration solutions provider, until its acquisition by CA, Inc. (NASDAQ: CA) in 2004. Mr. Walker received a B.S. in Business and Economics from Westmont College.

## EXECUTIVE COMPENSATION

This narrative discussion of the compensation policies and arrangements that apply to our named executive officers is intended to assist your understanding of, and to be read in conjunction with, the Summary Compensation Table and related disclosures set forth below. As an emerging growth company, we are eligible to comply with the executive compensation disclosure rules applicable to a “smaller reporting company,” as defined in applicable SEC rules and regulations.

### Named Executive Officers

Our named executive officers include our principal executive officer, and our two other most highly compensated executive officers who were serving as executive officers as of December 31, 2015. For 2015, our named executive officers were:

Brian Donahoo, our President, Chief Executive Officer, and a member of our Board, who is our principal executive officer;

Ida Kane, our Chief Financial Officer, who is our principal financial and accounting officer; and

Jonathan Walker, our Chief Technology Officer.

### Compensation Philosophy and Objectives

The primary objective of our executive compensation programs is to attract and retain talented executives with the skills necessary to lead us in achieving our strategic objectives and creating long-term value for our stockholders. We recognize that there is significant competition for talented executives within our industry, especially in Santa Barbara, California where our headquarters are located, and it can be particularly challenging for early-stage companies to recruit executives of the caliber necessary to achieve our goals.

Our executive compensation decision-making process has historically been impacted by the fact that several of our executive officers own a substantial number of shares of our outstanding capital stock, which serves to immediately align their interests with those of our stockholders without regard to their annual compensation arrangements. This has resulted in us paying our named executive officers lower amounts of total cash compensation than might otherwise be expected for officers with similar titles and responsibility levels at similar companies. For the same reason, except as discussed below, we did not issue any equity awards to our named executive officers during 2015.

When establishing our executive compensation programs going forward, we expect to be guided by the following principles:

attract and retain executives with the background, experience and vision required for our long-term growth and success;

provide a total compensation package, taking into account cash and non-cash compensation, that is generally competitive with other companies in our industry that are of a similar size and stage of growth;

continue to align the interests of our executives with those of our stockholders by tying a portion of total compensation to the achievement of strategic objectives that we believe will drive our long-term growth and success; and

where appropriate in light of the significant equity ownership of our executive officers, provide additional grants of equity-based awards to further align the interests of our executive officers with those of our stockholders.

### Compensation Determinations

Following the completion of our IPO in 2015, our compensation committee, which is comprised solely of independent directors under applicable NASDAQ listing standards, assists our Board in developing and reviewing the compensation programs and strategy applicable to our directors and executive officers, and overseeing our overall compensation philosophy. See the section entitled “Corporate Governance - Committees of our Board - Compensation Committee” for additional information.

## Compensation Program

Our compensation program for our named executive officers generally consists of a base salary, a cash bonus program, equity-based awards and other benefits as described below.

### Base Salary

We pay base salaries to attract and retain key executives with the necessary background, experience and vision required for our future growth and success. Base salaries generally reflect each executive officer's title and responsibility level, individual performance, business experience and equity ownership. Base salaries are reviewed periodically and adjusted in response to factors such as title, responsibility level and individual performance. In 2015, we did not make adjustments to the base salaries for any of our named executive officers.

### Cash Bonus Program

We have adopted a cash bonus program that applies to each of our named executive officers, as well as to certain other senior management personnel. The principal purpose of the cash bonus program is to align the payment of cash bonuses to executives with the achievement of strategic objectives that our Board and compensation committee believe will continue to position us for long-term success, which generally relate to continued revenue growth and improving cash flow from operations.

For 2015, pursuant to the cash bonus program, our Board initially established target cash bonus amounts that were based upon a percentage of each participant's salary. Our Board then determined a targeted amount for the specified financial metric, which for 2015 related to revenue growth, as well as individual performance objectives that are applicable to each executive, or MBOs. Each participant was then eligible to receive cash bonus payments based upon our actual financial performance relative to the targeted amounts for the financial metric, as well as achievement with respect to the individual MBOs. The actual payments made to each participant pursuant to the 2015 cash bonus program are set forth in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table below.

### Equity-Based Awards

Consistent with our compensation objectives discussed above, we believe that meaningful equity ownership is important to align the interests of our executives with those of our stockholders and to provide our executives with incentives to create long-term value for our stockholders. Upon receiving equity awards, our executives' interests are aligned with our stockholders because, as the value of our common stock increases or decreases over time, the value of their equity-based awards increases or decreases as well.

Upon completion of our IPO, our Board and stockholders adopted the 2015 Stock Incentive Plan, or 2015 Plan. Our compensation committee has been granted the authority to determine the type, amount, and other terms of our equity awards taking into account our compensation objectives and philosophy discussed above, subject to approval by our Board. We expect that future equity awards will be granted pursuant to the 2015 Plan. See the section entitled "- Stock Incentive Plans" for additional information.

In February 2015, we hired Ida Kane to serve as our Chief Financial Officer. Pursuant to the terms of the 2007 Stock Incentive Plan, or 2007 Plan, she purchased 25,000 shares of restricted stock at a purchase price of \$5.64 per share, which vests over a four-year period with 25% of the shares vesting on the first anniversary of her commencement of employment and the balance vesting in 36 equal monthly installments thereafter. She was also granted (i) 87,500 options, which vest over a four-year period with 25% of the options vesting on the first anniversary of her commencement of employment and the balance vesting in 36 equal monthly installments thereafter, and (ii) 50,000 options, which vest in 48 equal monthly installments commencing on February 1, 2017. Any unvested options granted to and shares purchased by Ms. Kane will immediately vest in full upon a change in control.

We did not grant any equity awards to any of our other named executive officers during 2015.

### Benefits

We offer a standard benefits package that we believe is necessary to attract and retain key executives. Our named executive officers are eligible to participate in our medical, dental, vision and other welfare benefit plans. We also pay the premiums for long-term disability insurance and life insurance for our named executive officers. Furthermore, we maintain a 401(k) plan for the benefit of our eligible employees, including our named executive officers. Currently, we match contributions made by participants in our 401(k) plan in an amount equal to 50% of the amount contributed

by participants, on up to 4% of their base salaries. The benefits provided to our named executive officers generally reflect those provided to all of our employees.



### Employment Agreements

We currently do not have employment agreements with any of our named executive officers. All of our named executive officers are employed on an at-will basis, with no fixed term of employment.

### Severance Agreements

Except as discussed above, we currently do not have severance agreements, change-in-control agreements or other similar types of agreements with any of our named executive officers.

### Summary Compensation Table

The following table sets forth summary compensation information for our named executive officers for the year ended December 31, 2015 and 2014.

Name and Title	Year	Salary	Bonus	Option Awards <sup>(1)</sup>	Non-Equity Incentive Plan Compensation <sup>(2)</sup>	All Other Compensation	Total
Brian Donahoo President and Chief Executive Officer	2015	\$ 250,000	\$—	\$ —	\$ 90,000	\$ —	\$ 340,000
	2014	\$ 250,000	\$ 1,703,000	\$ 369,000	\$ 82,000	\$ —	\$ 2,404,000
Ida Kane <sup>(3)</sup> Chief Financial Officer	2015	\$ 275,000	\$ 293,000	\$ 776,000	\$ 46,000	\$ —	\$ 1,390,000
	2014	\$—	\$—	\$ —	\$—	\$ —	\$—
Jonathan Walker Chief Technology Officer	2015	\$ 200,000	\$—	\$ —	\$ 83,000	\$ —	\$ 283,000
	2014	\$ 200,000	\$—	\$ 369,000	\$ 82,000	\$ —	\$ 651,000

Amounts shown in this column do not necessarily reflect the actual value received or to be received by our named executive officers or the amount of stock-based compensation expense reported within our consolidated financial statements. Instead, these amounts reflect the total grant date fair market value of the stock options computed in (1) accordance with the provisions of ASC 718. Assumptions used in the calculation of these amounts are included in note 2 of the notes to our consolidated financial statements included in the 2015 Annual Report. As required by SEC rules and regulations, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions.

Amounts shown in this column reflect the amounts earned under our 2015 cash bonus program based on our (2) achievement with respect to a specified financial metric, as well as the named executive officer's achievement with respect to the individual MBOs. See the section entitled “- Compensation Program - Cash Bonus Program” for additional information.

(3) We hired Ms. Kane to serve as our Chief Financial Officer in February 2015.

## Outstanding Equity Awards at Fiscal Year End

The following table sets forth information about the outstanding equity awards held by each of our named executive officers as of December 31, 2015.

Name	Grant Date	Option Awards				Stock Awards	
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price	Option Expiration Date	Number of Shares That Have Not Vested (#)	Market Value of Shares That Have Not Vested <sup>(1)</sup>
Brian Donahoo	12/3/2014	18,750	<sup>(2)</sup> 56,250	<sup>(3)</sup> \$ 4.92	12/2/2024	—	\$ —
	4/19/2013	—	—	\$ —	—	30,994	<sup>(4)</sup> \$ 452,512
Ida Kane	2/01/2015	60,981	<sup>(5)</sup>	\$ 5.64	1/31/2025		
	2/01/2015	39,584	<sup>(6)</sup>	\$ 5.64	1/31/2025		
	2/01/2015					25,000	<sup>(7)</sup> \$ 365,000
Jonathan Walker	12/3/2014	12,500	<sup>(2)</sup> 37,500	<sup>(3)</sup> \$ 4.92	12/2/2024	—	\$ —
	12/3/2014	—	25,000	<sup>(8)</sup> \$ 4.92	12/2/2024	—	\$ —

<sup>(1)</sup> The amounts in this column were calculated based on the closing price of our Class A common stock as of December 31, 2015, which was \$14.60.

<sup>(2)</sup> This amount represents options to purchase shares of our Class B common stock that were granted on December 3, 2014 and were exercisable as of December 31, 2015.

<sup>(3)</sup> This amount represents options to purchase shares of our Class B common stock that were granted on December 3, 2014 and remained unvested as of December 31, 2015. The shares underlying these options vest in 36 equal monthly installments through December 2, 2018.

<sup>(4)</sup> This amount represents Class B shares subject to a restricted stock award that was granted on April 19, 2013 and remained unvested as of December 31, 2015. The restricted stock vested as to 25% of the shares on April 19, 2014, the first anniversary of the grant date, and the remaining shares vest in 36 equal monthly installments thereafter.

<sup>(5)</sup> This amount represents options to purchase shares of our Class B common stock that were granted on February 1, 2015 and remained unvested as of December 31, 2015. The shares underlying these options will vest as to 25% of the shares on February 1, 2016, the first anniversary of the grant date, and the remaining shares vest in 36 equal monthly installments thereafter. These options have the ability to be early exercised and therefore are included in the exercisable column.

<sup>(6)</sup> This amount represents options to purchase shares of our Class B common stock that were granted on February 1, 2015 and remained unvested as of December 31, 2015. The shares underlying these options will vest in 48 equal monthly installments commencing on February 1, 2017. These options have the ability to be early exercised and therefore are included in the exercisable column.

<sup>(7)</sup> This amount represents Class B shares subject to a restricted stock award that was granted on February 1, 2015 and remained unvested as of December 31, 2015. The restricted stock vested as to 25% of the shares on February 1, 2016, the first anniversary of the grant date, and the remaining shares vest in 36 equal monthly installments thereafter.

<sup>(8)</sup> This amount represents options to purchase Class B shares of our common stock that were granted on December 3, 2014 and remained unvested as of December 31, 2015. The shares underlying these options will vest as to 25% of the shares on December 3, 2017, the third anniversary of the grant date, and the remaining shares vest in 36 equal monthly installments thereafter.

Stock Incentive Plans

Our Board and stockholders previously adopted our 2015 Plan, our Employee Stock Purchase Plan, or ESPP, and our 2007 Plan. The following paragraphs provide summary descriptions of each of these plans.

2015 Stock Incentive Plan

Plan Approval. Our Board and stockholders adopted the 2015 Plan in June 2015.

Authorized Shares. We originally reserved an aggregate of 2,000,000 shares of our Class A common stock for issuance under the 2015 Plan. The number of shares reserved for issuance will increase automatically on January 1 of each calendar

year beginning in 2016 and continuing through 2025 by the lesser of (i) the number of shares of our Class A common stock subject to awards granted under the 2015 Plan during the preceding calendar year, or (ii) the number of shares of our Class A common stock determined by our Board. The number of shares of our Class A common stock is also subject to adjustment in the event of a recapitalization, stock split, reclassification, stock dividend or other change in our capitalization. As of January 1, 2016, we had reserved an aggregate of 2,000,000 shares of our Class A common stock for issuance under the 2015 Plan. In addition, the following shares of our Class A common stock will be available for grant and issuance under the 2015 Plan:

shares subject to stock options or stock appreciation rights, or SARs, granted under the 2015 Plan that cease to be subject to the stock option or SAR for any reason other than exercise of the stock option or SAR;

shares subject to awards granted under the 2015 Plan that are subsequently forfeited or repurchased by us at the original issue price;

shares subject to awards granted under the 2015 Plan that otherwise terminate without shares being issued;

shares surrendered, canceled, or exchanged for cash or a different award (or combination thereof); and

shares subject to awards under the 2015 Plan that are used to pay the exercise price of an award or withheld to satisfy the tax withholding obligations related to any award.

**Plan Administration.** The 2015 Plan will be administered by our compensation committee, all of the members of which are independent directors under the applicable NASDAQ listing standards, or by our Board acting in place of our compensation committee. Our compensation committee will have the authority to construe and interpret the 2015 Plan, grant awards and make all other determinations necessary or advisable for the administration of the 2015 Plan.

**Awards and Eligible Participants.** The 2015 Plan authorizes the award of stock options, SARs, restricted stock awards or restricted stock units, or RSUs, performance awards and stock bonuses. The 2015 Plan provides for the grant of awards to our employees, directors, consultants and independent contractors, subject to certain exceptions. No person will be eligible to receive more than 500,000 shares of our Class A common stock under the 2015 Plan in any calendar year other than a new employee, who will be eligible to receive no more than 750,000 shares of our Class A common stock under the 2015 Plan in the calendar year in which the employee commences employment. No participant will be eligible to receive more than \$2,000,000 in performance awards in any calendar year under the 2015 Plan. No more than 5,000,000 shares of our Class A common stock will be issued under the 2015 Plan pursuant to the exercise of incentive stock options.

**Stock Options.** The 2015 Plan permits us to grant incentive stock options and non-qualified stock options. The exercise price of stock options will be determined by our compensation committee, and may not be less than 100% of the fair market value of our Class A common stock on the date of grant, subject to certain exceptions. Our compensation committee has the authority to reprice any outstanding stock option (by reducing the exercise price, or canceling the stock option in exchange for cash or another equity award) under the 2015 Plan without the approval of our stockholders. Stock options may vest based on the passage of time or the achievement of performance conditions in the discretion of our compensation committee. Our compensation committee may provide for stock options to be exercised only as they vest or to be immediately exercisable with any shares issued on exercise being subject to our right of repurchase that lapses as the shares vest. The maximum term of stock options granted under the 2015 Plan is 10 years.

**Stock Appreciation Rights.** SARs provide for a payment to the holder, in cash or shares of our Class A common stock, based upon the difference between the fair market value of our Class A common stock on the date of exercise and the stated exercise price on the date of grant, up to a maximum amount of cash or number of shares. SARs may vest based on the passage of time or the achievement of performance conditions in the discretion of our compensation committee. Our compensation committee has the authority to reprice any outstanding SAR (by reducing the exercise price, or canceling the SAR in exchange for cash or another equity award) under the 2015 Plan without the approval of our stockholders.

**Restricted Stock Awards.** A restricted stock award represents the issuance to the holder of shares of our Class A common stock, subject to the forfeiture of those shares due to failure to achieve certain performance conditions or termination of employment. The purchase price, if any, for the shares will be determined by our compensation committee. Unless otherwise determined by the administrator at the time of award, vesting will cease on the date the

holder no longer provides services to us and unvested shares will be forfeited to or repurchased by us. Restricted Stock Units. RSUs represent the right on the part of the holder to receive shares of our Class A common stock at a specified date in the future, subject to forfeiture of that right due to failure to achieve certain performance conditions or termination of employment. If a RSU has not been forfeited, then, on the specified date, we will deliver to the holder of the RSU shares of our Class A common stock, cash or a combination of cash and shares of our Class A common stock.

**Performance Awards.** Performance awards cover a number of shares of our Class A common stock that may be settled upon achievement of performance conditions as provided in the 2015 Plan in cash or by issuance of the underlying common stock. These awards are subject to forfeiture prior to settlement due to failure to achieve certain performance conditions or termination of employment.

**Stock Bonuses.** Stock bonuses may be granted as additional compensation for past or future service or performance and, therefore, no payment will be required for any shares awarded under a stock bonus. Unless otherwise determined by our compensation committee at the time of award, vesting will cease on the date the holder no longer provides services to us and unvested shares will be forfeited to us.

**Change in Control.** If we are party to a merger or consolidation, sale of all or substantially all our assets or similar change-in-control transaction, outstanding awards, including any vesting provisions, may be assumed or substituted by the successor company. In the alternative, outstanding awards may be cancelled in connection with a cash payment. Outstanding awards that are not assumed, substituted or cashed out will accelerate in full and expire upon the closing of the transaction. Awards held by non-employee directors will immediately vest as to all or any portion of the shares subject to the award and will become exercisable at such times and on such conditions as our compensation committee determines.

**Amendment; Termination.** The 2015 Plan will terminate 10 years from the date our Board approved it, unless it is terminated earlier by our Board. Our Board may amend, suspend or terminate the 2015 Plan at any time, subject to compliance with applicable law.

#### 2015 Employee Stock Purchase Plan

**Plan Approval.** Our Board and stockholders adopted the ESPP in June 2015. However, as of December 31, 2015, the ESPP had not been implemented.

**Qualified Plan.** We have adopted the ESPP in order to enable eligible employees to purchase shares of our Class A common stock at a discount. The ESPP is intended to qualify as an employee stock purchase plan under Section 423 of the Code.

**Authorized Shares.** We originally reserved an aggregate of 500,000 shares of our Class A common stock for issuance under the ESPP. The number of shares reserved for issuance increases automatically on January 1 of each calendar year beginning in 2016 and continuing through 2025 by the lesser of (i) the number of shares of our Class A common stock issued or transferred pursuant to rights granted under the ESPP during the preceding calendar year, or (ii) the number of shares of our Class A common stock determined by our Board. The number of shares of our Class A common stock is also subject to adjustment in the event of a recapitalization, stock split, reclassification, stock dividend or other change in our capitalization. The aggregate number of shares of our Class A common stock issued over the term of the ESPP will not exceed 1,250,000 shares of our Class A common stock.

**Plan Administration.** The ESPP will be administered by our compensation committee, all of the members of which are independent directors under the applicable NASDAQ listing standards, or by our Board acting in place of our compensation committee. Our compensation committee will have the authority to construe and interpret the ESPP, establish offering periods, determine eligible participants, and make all other determinations necessary or advisable for the administration of the ESPP.

**Eligible Participants.** Our employees generally are eligible to participate in the ESPP. Our compensation committee may, in its discretion, elect to exclude employees who work fewer than 20 hours per week or five months in a calendar year. Employees who are 5% or more stockholders, or would become 5% stockholders as a result of their participation in the ESPP, are ineligible to participate. We may impose additional restrictions on eligibility in compliance with applicable law.

**Payroll Deductions.** Under the ESPP, eligible employees will be able to acquire shares of our Class A common stock by accumulating funds through payroll deductions. Eligible employees will be able to select a rate of payroll deduction between 1% and 20% of their eligible cash compensation.

**Offering Periods.** The ESPP is implemented through a series of offering periods under which our employees who meet the eligibility requirements for participation in that offering period will automatically be granted a nontransferable option to purchase shares of our Class A common stock in that offering period using their accumulated payroll deductions. Once an employee is enrolled, participation will be automatic in subsequent offering periods. We have not

yet determined when the first offering period will begin, but it is anticipated that each offering period will run for approximately six months, commencing each June 1<sup>st</sup> and December 1<sup>st</sup>, with purchases occurring on the last day of each offering period. Our compensation committee

23

---

has the discretion to change the commencement date of each offering period. In no event may an offering period exceed 27 months. An employee's participation automatically ends upon termination of employment for any reason. Limitation on Purchase. No participant will have the right to purchase shares of our Class A common stock in an amount that, when aggregated with the shares subject to purchase rights under all our employee stock purchase plans that are also in effect in the same calendar year, have a fair market value of more than \$25,000, determined as of the first day of the applicable offering period.

Purchase Price. The purchase price for shares of our Class A common stock purchased under the ESPP will be 85% of the lesser of the fair market value of our Class A common stock on (i) the first trading day of the applicable offering period and (ii) the last trading day of the applicable offering period.

Change in Control. If we experience a change-in-control transaction or any unusual or nonrecurring transaction or event, our compensation committee has the discretion to provide for the termination of any offering period that commenced prior to the closing of the transaction or event, replace outstanding purchase rights with other rights or property, make adjustments in the number and type of shares subject to outstanding purchase rights, shorten an offering period and provide for the early exercise of purchase rights, or terminate all outstanding purchase rights without being exercised.

Amendment; Termination. The ESPP will terminate 10 years from the date our Board approved it, unless it is terminated earlier by our Board. Our Board may amend, suspend or terminate the ESPP at any time, subject to compliance with applicable law.

#### 2007 Stock Incentive Plan

Plan Approval. The 2007 Plan was approved by our Board and stockholders in February 2007.

Authorized Shares. Our Board has determined not to make any further awards under the 2007 Plan following the completion of our IPO. The 2007 Plan will continue to govern outstanding awards granted under the 2007 Plan. As of December 31, 2015, options to purchase an aggregate of 1,013,125 shares of our Class B common stock remained outstanding under the 2007 Plan.

Plan Administration. Our Board or a committee of our Board has the authority to manage and control the administration of the 2007 Plan. In particular, the administrator has the authority to determine the persons to whom awards are granted and the number of Class B shares of our common stock underlying each award. In addition, the administrator has the authority to accelerate the exercisability or vesting of any award, and to determine the specific terms and conditions of each award.

Stock Options. The 2007 Plan permitted us to grant options to purchase shares of our Class B common stock that were intended to qualify as incentive stock options under Section 422 of the Code, as well as options that did not so qualify, which are referred to as non-qualified stock options. The term of each stock option was fixed by the administrator and could not exceed 10 years from the date of grant. Incentive stock options were only be issued to our employees. Non-qualified stock options were issued to employees, officers, directors, consultants and other service providers. The exercise price of each stock option granted pursuant to the 2007 Plan was determined by the administrator, and could not be less than 100% of the fair market value of the underlying common stock on the date of grant. If, on the date of grant, the person to whom an incentive stock option was granted owned or was deemed to own stock representing more than 10% of the combined voting power of our outstanding capital stock, then the exercise price of the stock option could not have a term in excess of five years and had an exercise price of at least 110% of the fair market value of the underlying common stock.

Exercise of Stock Options. The administrator determined the methods of payment of the exercise price of a stock option, which could include cash, shares or certain other property or consideration acceptable to the administrator. After the termination of service of an employee, officer, director, consultant or other service provider, the participant may exercise his or her stock option, to the extent vested as of the date of termination, within three months after termination or such shorter or longer period of time as stated in his or her stock option agreement, no less than 30 days or more than five years, to the extent required by applicable law. Except as provided by the administrator and as permissible under applicable law, the 2007 Plan did not permit the transferability of stock options and only the recipient of the stock option may exercise a stock option during his or her lifetime.



Restricted Stock. The 2007 Plan also permitted us to grant restricted stock awards. Restricted stock awards could have been issued to employees, officers, directors, consultants and other service providers. The purchase price for the shares of restricted stock was determined by our Board, and could not be less than 85% of the fair market value of the underlying common

stock on the date of grant. If, on the date of grant, the person to whom a restricted stock award was granted owned or was deemed to own stock representing more than 10% of the combined voting power of our outstanding capital stock, then the purchase price for the shares of restricted stock had to be at least 100% of the fair market value of the underlying common stock.

**Change in Control.** With respect to stock options and restricted stock awards previously granted under the 2007 Plan, our Board has the authority to provide that, in the event of a “change in control,” as defined in the 2007 Plan, vesting of stock options and restricted stock will accelerate automatically, effective as of immediately prior to the change in control. Our Board has the discretion to provide other terms and conditions that relate to the vesting of the stock options and restricted stock awards upon a change in control, or for the assumption of stock options or restricted stock awards in the event of a change in control. Outstanding stock options terminate upon a change in control except to the extent they are assumed upon a change in control.

**Amendment; Termination.** Our Board has the power to amend, suspend or terminate the 2007 Plan at any time, subject to compliance with applicable law. No stock options or restricted stock awards could be granted under the 2007 Plan after the date that is 10 years from the date the 2007 Plan was approved by our Board. Our Board may also amend, modify or terminate any outstanding stock option or restricted stock award, provided that no amendment to a stock option or restricted stock award may substantially affect or impair the rights of a participant previously granted without his or her written consent. As noted above, our Board has determined not to grant any further awards under the 2007 Plan. All outstanding stock options and restricted stock awards will continue to be governed by their existing terms.

COMPENSATION COMMITTEE REPORT

The compensation committee has reviewed and discussed with management the information included under the heading "Executive Compensation" above including the related compensation tables. Based on such review and discussion, the compensation committee has recommended to the board of directors that the "Executive Compensation" disclosure, including the related compensation tables, be included in this Proxy Statement.

Respectfully submitted by the members of the compensation committee of the board of directors:

William Rauth (Chairperson)

Janet Kerr

Andreas von Blottnitz

In accordance with SEC rules and regulations, this Compensation Committee Report will not be deemed to be part of or incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933, as amended, or the Securities Act, or under the Securities Exchange Act of 1934, as amended, or the Exchange Act, except to the extent that we specifically incorporate this information by reference, and will not otherwise be deemed "soliciting material" or "filed" under either the Securities Act or the Exchange Act.

SECURITY OWNERSHIP OF  
CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information with respect to the beneficial ownership of our Class A common stock and Class B common stock as of February 29, 2016 for:

each of our named executive officers;

each of our directors;

all of our executive officers and directors as a group; and

each stockholder known by us to be the beneficial owner of more than 5% of our outstanding shares of Class A common stock or Class B common stock.

We have determined beneficial ownership in accordance with the rules of the SEC. Except as indicated by the footnotes below, we believe, based on information furnished to us and information filed with the SEC, that the persons and entities named in the table below have sole voting and investment power with respect to all shares of Class A common stock or Class B common stock that they beneficially own, subject to applicable community property laws.

Applicable percentage ownership is based on 10,164,438 shares of our Class A common stock and 23,410,165 shares of our Class B common stock outstanding at February 29, 2016. In computing the number of shares of common stock beneficially owned by a person and the percentage ownership of that person, we deemed to be outstanding all shares of common stock subject to options and restricted stock units held by that person or entity that are currently exercisable or releasable or that will become exercisable or releasable within 60 days of February 29, 2016. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person. Unless otherwise indicated, the address of each beneficial owner listed in the table below is c/o AppFolio, Inc., 50 Castilian Drive, Santa Barbara, California, 93117.

Name of Beneficial Owner	Shares Beneficially Owned				% of Total Voting Power <sup>(1)</sup>	
	Class A	%	Class B	%		
<b>5% Stockholders:</b>						
Entities affiliated with IGSB <sup>(2)</sup>	—	—	% 4,848,901	20.7	% 19.9	%
Maurice Duca <sup>(2)(3)</sup>	891,900	8.8	% 7,810,278	33.4	% 32.3	%
Entities affiliated with Dragoneer Investment Group <sup>(4)</sup>	1,277,017	12.6	% 1,537,551	6.6	% 6.8	%
Entities affiliated with Oberndorf Enterprises LLC <sup>(5)</sup>	1,887,968	18.6	% —	*	*	
<b>Directors and Named Executive Officers:</b>						
Timothy Bliss <sup>(2)(6)</sup>	41,680	*	6,218,302	26.6	% 25.5	%
Brian Donahoo <sup>(7)</sup>	—	*	1,291,149	5.5	% 5.3	%
Ida Kane <sup>(8)</sup>	—	*	125,566	*	*	
Janet Kerr <sup>(9)</sup>	8,333	*	—	*	*	
James Peters <sup>(10)</sup>	12,333	*	—	*	*	
William Rauth <sup>(2)(11)</sup>	—	*	5,369,058	22.9	% 22.0	%
Klaus Schauser <sup>(12)</sup>	—	*	4,694,585	20.1	% 19.2	%
Andreas von Blottnitz <sup>(13)</sup>	8,333	*	491,950	2.1	% 2.0	%
Jonathan Walker <sup>(14)</sup>	—	*	1,916,317	8.2	% 7.8	%
	70,679	*	20,106,927	85.9	% 82.3	%

All executive officers and directors  
as a group<sup>(15)</sup>

27

---

\*Represents beneficial ownership of less than one percent.

- Percentage of total voting power represents voting power with respect to all shares of our Class A Common Stock and Class B Common Stock, as a single class. The holders of our Class B Common Stock are entitled to ten votes per share, and holders of our Class A Common Stock are entitled to one vote per share. Each share of Class B Common Stock is convertible, at any time at the option of the holder, into one share of Class A Common Stock.
- (1) Consists of (i) 3,855,274 Class B common shares held by IGSB IVP III, or IVP III, and (ii) 993,627 Class B common shares held by Internal Venture Fund III, or Venture Fund III, each of which is convertible at any time into one Class A common share at the option of the holder thereof. IGSB is the sole manager of IVP III and Venture Fund III. Messrs. Timothy K. Bliss, Maurice J. Duca and William R. Rauth are the managing members of IGSB and, in those capacities, may be deemed to share voting and dispositive power over, and, therefore, may be
- (2) deemed to share beneficial ownership of the 3,855,274 and 993,627 Class B common shares owned, respectively, by IVP III and Venture Fund III. However, decisions regarding the voting, disposition and conversion of the Class B common shares that are owned by IVP III and Venture Fund III require the unanimous approval of Messrs. Bliss, Duca and Rauth. As a result, each of them disclaims beneficial ownership of those Class B common shares. The address for each of the entities affiliated with IGSB is P.O. Box 5609, Santa Barbara, CA 93150. The 7,810,278 Class B common shares consist of (i) the 3,855,274 and 993,627 Class B common shares owned, respectively, by IVP III and Venture Fund III, with respect to which, as indicated in footnote (2) above, Mr. Duca disclaims beneficial ownership; (ii) 2,951,696 Class B common shares with respect to which Mr. Duca possesses
- (3) sole voting and investment power; and (iii) a total of 9,681 Class B common shares with respect to which Mr. Duca may be deemed to share (but as to which Mr. Duca disclaims) beneficial ownership. The address for Mr. Duca is P.O. Box 5609, Santa Barbara, CA 93150.
- Consists of (i) 1,227,017 Class A common shares held by Dragoneer Global Fund II, L.P., (ii) 810,282 of Class B common shares held by Dragoneer Apartment, LLC, (iii) 583,622 Class B common shares held by certain managed accounts of Dragoneer Investment Group, LLC, and (iv) 143,647 of Class B common shares held by Marc Stad. Dragoneer Investment Group, LLC is a registered investment adviser and acts as investment manager to affiliates of Dragoneer Apartment, LLC and Dragoneer Global Fund II, L.P. and as a result may be deemed to share voting and dispositive power with respect to the 1,227,017 Class A common shares held by Dragoneer Global Fund II, L.P. and the 1,393,904 Class B common shares held by Dragoneer Apartment, LLC and certain other managed
- (4) accounts. Dragoneer Global GP, LLC is the manager of Dragoneer Apartment, LLC and Dragoneer Global GP II, LLC is the general partner of Dragoneer Global Fund II, L.P. Marc Stad is the managing member of Dragoneer Investment Group, LLC, Dragoneer Global GP, LLC, and Dragoneer Global GP II, LLC and may be deemed to share investment or voting power with respect to the 1,227,017 Class A common shares and 1,393,904 Class B common shares held by the Dragoneer entities listed herein. In aggregate, Mr. Stad may be deemed to beneficially own 1,227,017 Class A common shares and 1,537,551 Class B common shares. The address for the entities affiliated with the Dragoneer entities is One Letterman Drive, Building C, Suite 3-950, San Francisco, CA, 94129.
- (5) Consists of (i) 506,171 Class A common shares held by William Oberndorf, (ii) 1,135,567 Class A common shares held by Oberndorf Investments LLC, (iii) 182,788 Class A common shares held by the Bill & Susan Oberndorf Foundation, (iv) 45,900 Class A common shares held by Peter C. Oberndorf Irrevocable Trust dated 6/30/89, (v) 4,100 Class A common shares held by Peter Oberndorf, (vi) 13,112 Class A common shares held by the William E. Oberndorf Irrevocable Trust, dated 6/30/89, and (vii) 330 Class A common shares held by Caroline G. Oberndorf. Of these shares, 1,135,567 Class A common shares may be deemed to be beneficially owned by William E. Oberndorf solely in his capacity as the sole controlling person of Oberndorf Investments LLC; 182,788 Class A common shares may be deemed to be beneficially owned by William E. Oberndorf solely in his capacity as a controlling person of the Bill & Susan Oberndorf Foundation; 45,900 Class A common shares may be deemed to be beneficially owned by William E. Oberndorf solely in his capacity as trustee for the Peter Oberndorf Irrevocable Trust, dated 6/30/89; 13,112 Class A common shares may be deemed to be beneficially owned by William E. Oberndorf solely in his capacity as trustee for the William E. Oberndorf Irrevocable Trust, dated 6/30/89; and 330 Class A common shares may be deemed to be beneficially owned by William E. Oberndorf solely in his capacity as an authorized signatory for the account of Caroline G. Oberndorf. The address for the entities affiliated with

Oberndorf Enterprises LLC is 615 Front Street, San Francisco, CA, 94111.

The 6,218,302 Class B common shares consist of (i) the 3,855,274 and 993,627 Class B common shares owned, respectively, by IVP III and Venture Fund III, with respect to which, as indicated in footnote (2) above, Mr. Bliss (6) may be deemed to share, but with respect to which he disclaims, beneficial ownership; and (ii) 1,369,401 Class B common shares over which Mr. Bliss possesses sole voting and investment power. The address for Mr. Bliss is P.O. Box 5609, Santa Barbara, CA 93150.

Consists of (i) 1,266,149 Class B common shares (which includes 23,245 Class B common shares that may be (7) repurchased by us at the original purchase price as of 60 days following February 29, 2016) held by The Brian R. Donahoo 2015 Revocable Trust, of which Mr. Donahoo serves as the sole trustee, and (ii) 25,000 Class B common

shares underlying options granted to Mr. Donahoo that will be vested and exercisable within 60 days of February 29, 2016.

- (8) Includes 29,122 shares that may be repurchased by us at the original purchase price as of 60 days following February 29, 2016.
- (9) These shares were granted pursuant to our director compensation policy and are subject to repurchase by the company until June 25, 2016.
- (10) Includes 8,333 Class A common shares that were granted pursuant to our director compensation policy, which are subject to repurchase by the company until June 25, 2016.  
The 5,369,058 Class B common shares consist of (i) the 3,855,274 and 993,627 Class B common shares owned, respectively, by IVP III and Venture Fund III, with respect to which, as indicated in footnote (2) above, Mr. Rauth may be deemed to share, but with respect to which he disclaims, beneficial ownership, and (ii) 520,157 Class B common shares over which Mr. Rauth possesses sole voting and investment power.
- (11) Consists of Class B common shares held by the 1206 Family Trust dated December 13, 2002, of which Mr. Schauser and his spouse serve as co-trustees.  
Consists of (i) 491,950 Class B common shares and (ii) 8,333 Class A common shares. The Class B common shares are held by Oceanlink Investments Limited, which is managed by a board of directors that currently possesses voting and dispositive power with respect to these shares. Oceanlink Trust, of which Mr. von Blottnitz is a trustee and beneficiary, holds all of the equity interests of Oceanlink Investments Limited. Mr. von Blottnitz possesses shared power to revoke Oceanlink Trust. Mr. von Blottnitz also holds 8,333 Class A common shares that were granted in conjunction with his annual stock grant as a director of AppFolio. These shares are subject to repurchase by the company until June 25, 2016. The address for Oceanlink Investments Limited is P.O. Box 621, Le Gallais Chambers, 54 Bath Street, St. Helier, Jersey, Channel Islands JE48YD.
- (12) Consists of (i) 1,879,025 Class B common shares held directly by Mr. Walker, (ii) 20,625 Class B common shares held by PENSICO Trust Company FBO Jonathan Walker and (iii) 16,667 Class B common shares underlying options granted to Mr. Walker that will be vested and exercisable within 60 days of February 29, 2016.
- (13) Includes 142,232 shares that may be repurchased by us at the original purchase price as of 60 days following February 29, 2016.
- (14)
- (15)



## RELATED PARTY TRANSACTIONS

### Certain Relationships and Transactions

Other than the transactions discussed below, and the various compensation arrangements described above in the section entitled “Executive Compensation,” since January 1, 2015, there was not, and there is not currently proposed, any transaction or series of similar transactions to which we were or will be a party for which the amount involved exceeds or will exceed \$120,000 and in which any director, director nominee, executive officer, holder of more than 5% of any class of our capital stock, or any member of the immediate family of any of the foregoing, had or will have a direct or indirect material interest.

### Conversion of Convertible Preferred Stock to Class B Common Stock

We previously issued and sold shares of our convertible preferred stock to entities affiliated with IGSB, which is the holder of more than 5% of the outstanding shares of our Class B common stock. In June 2015, immediately prior to the effectiveness of our IPO, all shares of our convertible preferred stock, including those held by entities affiliated with IGSB, converted into shares of our Class B common stock at a rate of four shares of preferred stock into one share of Class B common stock. Affiliates of IGSB whose shares are aggregated for purposes of reporting share ownership information are IGSB Internal Venture Fund III, LLC and IGSB IVP III, LLC. Messrs. Bliss and Rauth, current members of our Board, are partners of IGSB, which is the manager of IGSB Internal Venture Fund III, LLC and IGSB IVP III, LLC.

### Amended and Restated Investors’ Rights Agreement

We are party to an amended and restated investors’ rights agreement that provides, among other things, certain stockholders, including certain of our executive officers, directors and principal stockholders, with demand registration rights, piggyback registration rights, and Form S-3 registration rights. All registration rights will terminate on the earlier of (i) the date that is five years after our IPO, or (ii) as to any stockholder, the first date after our IPO on which such stockholder is able to dispose of all of its registrable securities without restriction under Rule 144.

### Amended and Restated Right of First Refusal and Co-Sale Agreement

We were previously a party to an amended and restated right of first refusal and co-sale agreement with certain stockholders, including certain of our executive officers, directors and principal stockholders, which provided us and certain stockholders, among other things, a right of first refusal if certain of our preexisting stockholders proposed to transfer any of their shares of our capital stock. The agreement also provided certain stockholders co-sale rights if certain preexisting stockholders sold shares of our capital stock. This agreement was terminated upon the completion of our IPO.

### Amended and Restated Voting Agreement

We were previously a party to an amended and restated voting agreement with certain stockholders, including certain of our executive officers, directors and principal stockholders, which required, among other things, the parties to the agreement to vote their shares in a certain way with respect to the election of directors to our Board and certain proposed sale transactions. This agreement was terminated upon the completion of our IPO.

### Limitation of Liability and Indemnification of Directors and Officers

Our amended and restated certificate of incorporation and amended and restated bylaws, which became effective upon the completion of our IPO, provides that we will indemnify our directors and executive officers to the fullest extent permitted by law. In addition, as permitted by the laws of the State of Delaware, we have entered into indemnification agreements with each of our directors and executive officers. Under the terms of our indemnification agreements, we are required to indemnify each of our directors and executive officers, to the fullest extent permitted by the laws of the State of Delaware, if the indemnitee acted in good faith and in a manner the indemnitee reasonably believed to be in or not opposed to our best interests and, with respect to any criminal proceeding, had no reasonable cause to believe the indemnitee’s conduct was unlawful. We must indemnify our directors and executive officers against any and all (i) costs and expenses (including attorneys’ and experts’ fees, expenses and charges) actually and reasonably paid or incurred in connection with investigating, defending, being a witness in or participating in, or preparing to investigate, defend, be a witness in or participate in, and (ii) damages, losses, liabilities, judgments, fines, penalties (whether civil,

criminal or other), excise taxes, and amounts paid or payable in settlement and all other charges paid or payable in connection with, in the case of either (i) or (ii), any threatened, pending or completed action, suit, proceeding, alternate dispute resolution mechanism, investigation or inquiry related to the fact that (a) such person is or was a director, officer, employee or agent of ours, or (b) such person is or was serving at our request as a director, officer, employee, member, manager, partner, trustee or agent of another corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other

enterprise. The indemnification agreements also require us, if so requested, to advance within 20 days of such request any and all costs and expenses that such director or executive officer incurs, provided that such person agrees to return any such advance if it is ultimately determined that such person is not entitled to be indemnified for such costs and expenses. Our amended and restated bylaws also require that such person return any such advance if it is ultimately determined that such person is not entitled to indemnification by us as authorized by the laws of the State of Delaware. We are not required to provide indemnification under our indemnification agreements for certain matters, including: (i) indemnification in connection with certain proceedings or claims initiated or brought voluntarily by the director or executive officer, (ii) indemnification that is finally determined, under the procedures and subject to the presumptions set forth in the indemnification agreements, to be unlawful, (iii) indemnification related to disgorgement of profits made from the purchase or sale of our securities under Section 16(b) of the Exchange Act, or similar provisions of state statutory or common law, or (iv) indemnification for reimbursement to us of any bonus or other incentive-based or equity-based compensation previously received by the director or executive officer or payment of any profits realized by the director or executive officer from the purchase or sale of our securities, as required in each case under the Exchange Act (including any such reimbursements under Section 304 of the Sarbanes-Oxley Act) in connection with an accounting restatement or the payment to us of profits arising from the purchase or sale by the director or executive officer of our securities in violation of Section 306 of the Sarbanes-Oxley Act, our amended and restated certificate of incorporation, our amended and restated bylaws or otherwise, except with respect to any excess amount beyond the amount so received by the director or officer. The indemnification agreements require us, to the extent that we maintain an insurance policy or policies providing liability insurance for our directors or executive officers, to cover such person by such policy or policies to the maximum extent available. We have obtained insurance policies under which, subject to the limitations of the policies, coverage is provided to our directors and executive officers against loss arising from claims made by reason of breach of fiduciary duty or other wrongful acts as a director or executive officer, including claims relating to public securities matters, and to us with respect to payments that may be made by us to these directors and executive officers pursuant to our indemnification obligations or otherwise as a matter of law. Certain of our non-employee directors may, through their relationship with their employers, be insured and/or indemnified against certain liabilities incurred in their capacity as members of our Board.

#### Policies and Procedures for Approval of Related Party Transactions

We have adopted a related party transaction policy. Pursuant to this policy, the Chairperson of our audit committee is charged with primary responsibility for determining whether, based on the particular facts and circumstances, a related person (as defined in the policy) has a direct or indirect material interest in a proposed or existing transaction involving us. Any director, officer or other employee who becomes aware of a transaction or relationship that could reasonably be expected to give rise to a conflict of interest is required to disclose the matter promptly to the Chairperson of our audit committee. To assist the Chairperson of our audit committee in making this determination, the policy sets forth certain categories of transactions that are deemed not to involve a direct or indirect material interest on behalf of the related person. If, after applying these categorical standards and weighing all of the facts and circumstances, the Chairperson of our audit committee determines that the related person would have a direct or indirect material interest in the transaction, the Chairperson of our audit committee must present the transaction to our audit committee for review. Our audit committee must then either approve or reject the transaction in accordance with the terms of the policy and may only approve of the transaction if the audit committee determines that, based on all of the information presented, the related party transaction is not inconsistent with the best interests of the company as a whole.

## ADDITIONAL INFORMATION

### Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors, executive officers and persons who own more than 10% of any class of our registered equity securities, which we collectively refer to as our reporting persons, to report to the SEC on a timely basis their initiation status as a reporting person and any changes in their respective beneficial ownership of our registered equity securities.

To our knowledge, based solely on a review of the copies of such reports furnished to us and written representations from our reporting persons, we believe that during 2015, all of our reporting persons complied with all applicable SEC filing requirements under Section 16(a) of the Exchange Act.

### Procedures for Submitting Stockholder Proposals

#### Requirements for Stockholder Proposals to be Brought Before Future Annual Meetings

Our amended and restated bylaws provide that, for nominations of persons for election to our Board or other proposals to be considered at an annual meeting of stockholders, a stockholder must provide us with written notice not later than the close of business 45 days, nor earlier than the close of business 75 days, prior to the first anniversary of the date of the preceding year's annual meeting of stockholders. As a result, stockholder proposals must be received by us no earlier than February 27, 2017, and no later than March 29, 2017, in order to be considered at our 2017 annual meeting of stockholders. In the event the date of our 2017 annual meeting is more than 30 days before or more than 60 days after the anniversary date of our 2016 annual meeting, notice must be delivered not earlier than the close of business on the 120<sup>th</sup> day prior to such annual meeting and not later than the close of business on the later of (i) the 90th day prior to such annual meeting or (ii) the 10th day following the day on which public announcement of the date of such meeting is first made. Such notice must be provided to: AppFolio, Inc., 50 Castilian Drive, Santa Barbara, CA, 93117, Attn: Chief Financial Officer. Our amended and restated bylaws specify certain additional requirements regarding the form and content of such notice.

#### Requirements for Stockholder Proposals to be Considered for Inclusion in Our Future Proxy Materials

In addition to the requirements stated above, any stockholder who wishes to submit a proposal for inclusion in our future proxy materials must comply with Rule 14a-8 under the Exchange Act. For such proposals to be included in our proxy materials relating to our 2017 annual meeting of stockholders, all applicable requirements of Rule 14a-8 must be satisfied and we must receive such proposals no later than December 1, 2016. Such proposals must be provided to: AppFolio, Inc., 50 Castilian Drive, Santa Barbara, CA, 93117, Attn: Chief Financial Officer.

### Other Business

Our Board does not presently know of any other business, other than that described in this Proxy Statement, that will be presented for consideration by our stockholders at the Annual Meeting. As to any business that may properly come before the Annual Meeting, however, it is intended that the shares of our common stock represented by proxies will be voted in respect thereof in accordance with the judgment of the persons voting such proxies.

### Annual Report

A COPY OF OUR 2015 ANNUAL REPORT, AS WELL AS THIS PROXY STATEMENT, HAS BEEN POSTED ON THE INTERNET, EACH OF WHICH IS ACCESSIBLE BY FOLLOWING THE INSTRUCTIONS IN THE NOTICE. WE WILL PROVIDE, WITHOUT CHARGE, UPON THE WRITTEN REQUEST OF ANY STOCKHOLDER ON THE RECORD DATE, A COPY OF OUR 2015 ANNUAL REPORT. STOCKHOLDERS SHOULD DIRECT SUCH REQUESTS TO: APPFOLIO, INC., 50 CASTILIAN DRIVE, SANTA BARBARA, CALIFORNIA 93117, ATTN: CHIEF FINANCIAL OFFICER, OR BY EMAIL TO: cfo@appfolio.com.



