



SPS COMMERCE

Compensation Committee Charter

Adopted: January 28, 2010
Amended: February 25, 2013

PURPOSE

The Compensation Committee (the "Committee") assists the Board of Directors (the "Board") of SPS Commerce, Inc. (the "Company") in:

- approving compensation and employment arrangements for executive officers;
- administering compensation plans for employees;
- considering nominees for election as corporate officers; and
- evaluating the compensation structure for management employees and developing an implementation plan; and
- determining the compensation of non-employee directors.

COMMITTEE MEMBERSHIP

The Committee shall consist of two or more directors, who will be appointed by and may be removed by the Board. Each member of the Committee shall (i) be independent in accordance with the listing standards of the stock exchange or automated quotation system upon which the Company's common stock is listed, if any (as may be modified or supplemented) and any other applicable laws or regulations, (ii) be a "non-employee director" as defined in Rule 16b-3(b)(3) under the Securities Exchange Act, (iii) be an "outside director" as defined in regulations adopted under section 162(m) of the Internal Revenue Code and (iv) not accept directly or indirectly any consulting, advisory or other compensatory fee from the Company or any subsidiary thereof. Compensatory fees shall not include: (I) fees received as a member of the Committee, the board of directors or any other board committee or (II) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company (provided that such compensation is not contingent in any way on continued service).

To the extent a director on the Committee is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company, the Company's board must determine that such affiliation would not impair such director's judgment as a member of the Committee.

COMMITTEE AUTHORITY

The Committee shall have the resources and authority to discharge its duties and responsibilities, including the authority, in its sole discretion, to retain or obtain advice from any compensation consultant, legal counsel or other advisors as the Committee may deem appropriate. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any such compensation consultant, legal counsel and other adviser retained by the Committee. The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any such compensation consultant, legal counsel or any other adviser retained by the Committee.

Except for compensation consultants, legal counsel or other advisers (i) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of executive officers or directors of the Company, and that is available generally to all salaried employees and/or (ii) providing information that either is not customized for the Company or that is customized based on parameters that are not developed by the adviser, and about which the adviser does not provide advice, the Committee may select, or receive advice from, any compensation consultant, legal counsel or other adviser to the Committee, other than in-house legal counsel, only after taking into consideration the following factors:

- the provision of other services to the Company by the person that employs such compensation consultant, legal counsel or other adviser;

- the amount of fees received from the Company by the person that employs such compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs such compensation consultant, legal counsel or other adviser;
- the policies and procedures of the person that employs such compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
- any business or personal relationship of such compensation consultant, legal counsel or other adviser with a member of the Committee;
- any stock of the Company owned by such compensation consultant, legal counsel or other adviser; and
- any business or personal relationship of such compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.

To the extent permitted under the listing standards of the stock exchange or automated quotation system upon which the Company's common stock is listed, if any (as may be modified or supplemented), and any other applicable laws or regulations, the Committee may form and delegate authority to subcommittees consisting of one or more members when deemed appropriate by the Committee. The Committee may also delegate to the Chief Executive Officer ("CEO") the authority, within pre-existing guidelines established by the Committee and as permitted by applicable law, to approve equity compensation awards to employees other than executive officers of the Company under established stock-based compensation plans of the Company. Any exercise of delegated authority will be reported to the Committee at its next regularly scheduled meeting.

The Committee may also delegate non-discretionary administrative authority under Company compensation and benefit plans in its discretion and consistent with any limitations specified in the applicable plans.

COMMITTEE MEETINGS AND COMMUNICATIONS

The Committee shall meet as often as it determines. A majority of the members shall constitute a quorum. The chairperson of the Committee shall be appointed by the Board. The Committee shall regularly report its actions and recommendations to the Board.

COMMITTEE RESPONSIBILITIES

To fulfill its role, the Committee will have the following responsibilities:

Election of Officers

1. Consider and recommend to the Board nominees for election as corporate officers, annually and as requested by the CEO.

Executive Compensation

2. Review and approve on an annual basis the goals and objectives relevant to the CEO's compensation, as well as the CEO's compensation program. The Committee will annually assess the performance and overall effectiveness of the CEO based on relevant and objective criteria and discuss the assessment with the CEO. The Committee will evaluate the performance of the CEO, including the degree to which goals and objectives relevant to the CEO's compensation have been achieved and such other factors as the Committee deems relevant to establish the CEO's annual compensation, including salary, bonus, incentive and equity-based compensation. The CEO may not be present during voting or deliberations on his or her compensation.
3. Annually review the evaluation of the performance of the executive officers of the Company, and approve their annual compensation, including salary, bonus, incentive and equity-based compensation. The Committee shall also provide general oversight of management's decisions regarding the performance and compensation of other management employees.
4. Review and approve the terms of the compensation for newly hired and newly promoted executive officers.

Compensation Programs

5. Periodically review the Company's compensation structure for management employees, including incentive, deferred and equity-based compensation plans, and approve or recommend to the Board any changes as needed.
6. Periodically review and approve the evaluations of senior management employees.
7. Review and approve the annual incentive plan goals for executive officers, review actual performance against goals and

- approve annual incentive plan awards.
8. Oversee and administer the Company's incentive compensation, deferred compensation, profit sharing, equity-based compensation and supplemental retirement plans for employees, including the approval of participants and awards under equity-based compensation plans.
 9. Periodically review the compensation paid to non-employee directors and recommend to the Board any adjustments in director compensation and related plans.

Employment and Compliance Matters

10. Review and approve employment agreements, change in control agreements, severance arrangements and special or supplemental benefits for executive officers.
11. Monitor compliance with prohibitions on personal loans to directors and executive officers.
12. Monitor compliance with executive officer and director stock ownership policies and periodically review such policies. Discuss compliance with the Board and recommend changes.

Other Matters

13. Annually review and assess the adequacy of this charter and recommend any proposed changes to the Board for its approval.
14. Periodically review and report to the Board on the performance of the Committee.
15. As required by applicable rules of the Securities and Exchange Commission ("SEC"), produce a Compensation Committee Report for inclusion in the Company's proxy statement for its annual meeting of stockholders.
16. Review and discuss with Company management and advisors the compensation and employment related disclosures to be made in the Company's filings with the SEC.