

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name  <u>SPS Commerce, Inc.</u>		<b>2</b> Issuer's employer identification number (EIN)  <u>41-2015127</u>	
<b>3</b> Name of contact for additional information  <u>Brandon Paetznick</u>	<b>4</b> Telephone No. of contact  <u>(612) 435-9400</u>	<b>5</b> Email address of contact  <u>benefits@spscommerce.com</u>	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact  <u>333 South Seventh Street, Suite 1000</u>		<b>7</b> City, town, or post office, state, and ZIP code of contact  <u>Minneapolis, MN 55402</u>	
<b>8</b> Date of action  <u>August 22, 2019</u>		<b>9</b> Classification and description  <u>Two-for-One Stock Split of SPS Commerce, Inc. Common Stock</u>	
<b>10</b> CUSIP number  <u>78463M107</u>	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol  <u>SPSC</u>	<b>13</b> Account number(s)

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On July 25, 2019, the Board of Directors of SPS Commerce, Inc. (the "Company") declared a two-for-one stock split of the Company's common stock. The stock split is structured as a 100 per cent stock dividend. Each shareholder of the Company will receive one additional share of Company common stock for each share held on August 8, 2019, the record date. The distribution date for the new shares is August 22, 2019.

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The basis for each share following the stock distribution on August 22, 2019, will equal 50 per cent of the pre-distribution basis of that share. The number of shares held by each shareholder will double. Therefore, the stock split will not change the total basis of each shareholder's investment in the stock, and the stock split will not change the interest that each shareholder maintains in the Company.


**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ Each shareholder's existing tax basis in their shares of common stock will be allocated among twice the number of shares as a result of the two-for-one stock split occurring on August 22, 2019.

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► The stock split is not a taxable event and there will be no resulting tax consequences to U.S. shareholders pursuant to Internal Revenue Code Section 305(a), which states that gross income does not include a distribution of a corporation's stock made by such corporation to its shareholders with respect to its stock. Referencing Internal Revenue Code Section 307(a), shareholders must compute basis for split shares received by allocating the adjusted basis of the old stock between the old stock and the new stock.

18 Can any resulting loss be recognized? ► From a U.S. federal income tax perspective, the stock split is not a taxable event and there are no resulting tax consequences to U.S. residents. Therefore, the stock split will not result in any gains or losses.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► The reportable tax year is 2019.

**Sign Here**  
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.  
Signature ►  Date ► 7/25/19  
Print your name ► Kimberly K. Nelson Title ► Chief Financial Officer

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ►				Firm's EIN ►
	Firm's address ►				Phone no.