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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant ☑
Filed by a party other than the Registrant ☐

Check the appropriate box:

☐ Preliminary Proxy Statement
☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
☑ Definitive Proxy Statement
☐ Definitive Additional Materials
☐ Soliciting Material under §240.14a-12

SPS COMMERCE, 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 all boxes that apply):

☑ No fee required
☐ Fee paid previously with preliminary materials
☐ Fee computed on table in exhibit required by Item 25(b) per Exchange Act Rules 14a-6(i)(1) and 0-11

SPS COMMERCE

333 South Seventh Street, Suite 1000
Minneapolis, Minnesota 55402
(612) 435-9400

April 4, 2024

Chad Collins
Chief Executive Officer

Dear Stockholders:

You are cordially invited to join us for our 2024 Annual Meeting of Stockholders, which will be held virtually on Thursday, May 16, 2024, at 8:00 a.m., Central Time. The virtual meeting can be accessed by visiting the following website and entering your control number: www.virtualshareholdermeeting.com/SPSC2024. Stockholders will have the same opportunities to participate in the virtual meeting as you would at an in-person meeting, including having the opportunity to vote and to submit a question during the meeting using the directions on the meeting website.

The notice of the 2024 Annual Meeting of Stockholders and the Proxy Statement that follow describe the business to be conducted at the meeting. Whether or not you plan to attend the virtual meeting, your vote is important and we encourage you to submit your proxy to vote your shares promptly. You may vote your shares by proxy by using a toll-free telephone number, the internet, or mail, free of charge. Instructions regarding these three methods of voting are contained in the proxy materials.

We are pleased to take advantage of SEC rules that allow companies to furnish their proxy materials over the internet. We are mailing to many of our stockholders a Notice of Internet Availability of Proxy Materials (the “Notice”) instead of a paper copy of our proxy materials and our 2023 Annual Report to Stockholders (the “Annual Report”). The Notice contains instructions on how to access those documents and to cast your vote via the internet. The Notice also contains instructions on how to request a paper copy of our proxy materials and our Annual Report. All stockholders who do not receive a Notice will receive a paper copy of the proxy materials and the Annual Report by mail. This process allows us to provide our stockholders with the information they need more promptly, while reducing the environmental impact and lowering the costs of printing and distributing our proxy materials.

We look forward to having you attend the virtual meeting.

Sincerely,

Chad Collins
Chief Executive Officer

SPS COMMERCE

SPS Commerce, Inc.
333 South Seventh Street
Minneapolis, Minnesota 55402

Notice of 2024 Annual Meeting of Stockholders

Time and Date
8:00 a.m., Central Time
Thursday, May 16, 2024

Access
The 2024 Annual Meeting of Stockholders is virtual only. Join us via:
www.virtualshareholdermeeting.com/SPSC2024

Items of Business

1. Election of the seven directors, each for a one-year term.
2. Ratification of the selection of KPMG LLP as independent auditor for the fiscal year ending December 31, 2024.
3. Advisory approval of the compensation of our named executive officers.
4. Approval of an amendment to the Ninth Amended and Restated Certificate of Incorporation of SPS Commerce, Inc. to allow for exculpation of officers as permitted by Delaware Law.
5. Any other business that may properly be considered at the meeting or any adjournment or postponement of the meeting.

Record Date – You may vote at the 2024 Annual Meeting of Stockholders if you were a stockholder of record at the close of business on March 22, 2024.

Voting by Proxy – Whether or not you plan to attend the 2024 Annual Meeting of Stockholders virtually, please vote your shares by proxy to ensure they are represented at the 2024 Annual Meeting of Stockholders. To submit your proxy vote, you may follow the instructions for voting via the internet as described in the Notice and the proxy card. If you received a paper copy of the proxy card by mail, you may sign, date, and mail the proxy card in the envelope provided, or you may vote via telephone as described in the proxy card.

By Order of the Board of Directors,

Chad Collins
Chief Executive Officer

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 16, 2024:

The Notice of Annual Meeting, 2024 Proxy Statement, and 2023 Annual Report are available at www.proxyvote.com.

How to Vote by Proxy

Whether or not you plan to attend the 2024 Annual Meeting of Stockholders virtually, please provide your proxy by either using the internet or telephone as further explained in this Proxy Statement or filling in, signing, dating, and promptly mailing a proxy card.

BY TELEPHONE

- You will need to use a control number that was provided to you by our vote tabulator, Broadridge Financial Solutions.
- Call the toll-free number on your proxy card, 24 hours a day, seven days a week, through 11:59 p.m. Eastern Time ("ET") on May 15, 2024 for shares held directly, and through 11:59 p.m. ET on May 13, 2024 for shares held in the Plan.
- Please have your proxy card available and follow the additional steps when prompted.

BY INTERNET

- Go to the web site at www.proxyvote.com, 24 hours a day, seven days a week, through 11:59 p.m. ET on May 15, 2024 for shares held directly, and through 11:59 p.m. ET on May 13, 2024 for shares held in the Plan.
- Please have your Notice or proxy card available and follow the instructions provided to obtain your records and to create an electronic voting instruction form.

BY MAIL

- If you received a Notice, first request a paper copy of the proxy materials as directed in the Notice on or before May 2, 2024 to facilitate timely delivery.
- Mark, sign, and date your proxy card.
- Return it in the postage-paid envelope provided.

If your shares are held in an account at a brokerage firm, bank, or similar organization, you will receive voting instructions from the organization holding your account and you must follow those instructions to vote your shares. You will receive a Notice that will tell you how to access our proxy materials on the internet and vote your shares over the internet. It will also tell you how to request a paper or e-mail copy of our proxy materials.

YOUR VOTE IS IMPORTANT. THANK YOU FOR VOTING.

References & Abbreviations

Unless the context otherwise requires, the words “we,” “us,” “our,” the “Company,” “SPS,” and “SPS Commerce” refer to SPS Commerce, Inc. Other abbreviations used in this Proxy Statement are as follows.

Abbreviation	Term	Abbreviation	Term
Board	Board of Directors	PSU	Performance Stock Unit
CEO	Chief Executive Officer	RSU	Restricted Stock Unit
PEO	Principal Executive Officer	DSU	Deferred Stock Unit
NEO	Named Executive Officer	TSR	Total Shareholder Return
Notice	Notice of Internet Availability of Proxy Materials	SEC	Securities and Exchange Commission
Plan	SPS Commerce, Inc. 401(k) Retirement Savings Plan	Annual Report	2023 Annual Report to Stockholders
KPMG	KPMG LLP		

Forward-Looking Statements

This Proxy Statement contains forward-looking statements, including information about future expectations, plans and prospects, within the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results to be materially different than those expressed or implied in such statements. Certain of these risks, uncertainties, and other factors are included in documents the Company filed with the SEC, including but not limited to, the Company’s Annual Report on Form 10-K for the year ended December 31, 2023, as well as subsequent reports filed with the Securities and Exchange Commission. Other unknown or unpredictable factors also could have material adverse effects on the Company’s future results. The forward-looking statements included in this Proxy Statement are made only as of the date hereof. The Company cannot guarantee future results, levels of activity, performance or achievements. Accordingly, you should not place undue reliance on these forward-looking statements. Finally, the Company expressly disclaims any intent or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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PROXY SUMMARY

This summary provides a business overview and highlights certain information contained elsewhere in this Proxy Statement. We encourage you to review the entire Proxy Statement. This Proxy Statement and our Annual Report are first being made available to our stockholders on or about April 4, 2024. Website addresses included throughout this Proxy Statement are for reference only. The information contained on our website is not incorporated by reference into this Proxy Statement.

Business Overview

We are a leading provider of cloud-based supply chain management services across our global retail network. Our products make it easier for retailers, grocers, distributors, suppliers, and logistics firms to communicate and collaborate by simplifying how they manage and share item, inventory, order and sales data across omnichannel retail channels. We deliver our products using a full-service model, which includes industry-leading technology and a team of experts that optimize, update, and operate the technology on customers' behalf.

Our products enable customers to increase supply chain performance, optimize inventory levels and sell-through, reduce operational costs, improve order visibility, and satisfy consumer demands for a seamless omnichannel experience.

CEO Succession and Board Leadership

Effective October 2, 2023, our Board appointed Chad Collins as our CEO, succeeding Archie Black, who retired as CEO after serving in that role for over 20 years. Mr. Collins was also appointed as a director on that same date. Mr. Black became Executive Chair of our Board, and Phil Soran, prior Chair of the Board, became the Lead Independent Director of the Board, also effective as of October 2, 2023.

Voting Matters and Voting Recommendations

The following proposals are included in this Proxy Statement and are scheduled to be voted on at the 2024 Annual Meeting of Stockholders. Our Board recommends that you vote your shares as indicated below.

PROPOSALS:		THE BOARD OF DIRECTOR'S VOTING RECOMMENDATIONS:	RATIONALE FOR SUPPORT:	FOR FURTHER DETAILS:
Item 1	Election of the seven directors, each for a term of one year.	"FOR" each nominee to the Board ✓	Our nominees are distinguished leaders who bring a mix of skills, experience, and diversity to our Board and can represent the interests of all stockholders.	Page 9
Item 2	Ratification of the selection of KPMG as independent auditor of SPS Commerce, Inc. for the fiscal year ending December 31, 2024.	"FOR" ✓	Based on its assessment of the qualifications and performance of KPMG, the Audit Committee believes that it is in the best interests of the Company and its stockholders to retain KPMG.	Page 56
Item 3	Advisory approval of the compensation of our NEOs.	"FOR" ✓	We set the compensation of our NEOs based on their ability to create sustainable long-term stockholder value in a cost-effective manner. Our executive compensation philosophy is to align executive compensation decisions with our desired business direction, strategy, and performance.	Page 57
Item 4	Approval of an amendment to the Ninth Amended and Restated Certificate of Incorporation of SPS Commerce, Inc. to allow for exculpation of officers as permitted by Delaware Law.	"FOR" ✓	The amendment to allow for the exculpation of officers aligns the protections available to the Company officers with those currently available to the Company's directors, and helps to limit increased litigation and insurance costs.	Page 58

Other than the proposals described in this Proxy Statement, the Board is not aware of any other matters to be presented for a vote at the 2024 Annual Meeting of Stockholders. If you grant a proxy by telephone, internet, or by signing and returning your proxy card, any of the persons appointed by the Board as proxy holders will have the discretion to vote your shares on any additional matters properly presented for a vote at the 2024 Annual Meeting of Stockholders. If any of our nominees are unavailable as a candidate for director, the named proxy holders will vote your proxy for another candidate or candidates as may be nominated by the Board.

QUESTIONS AND ANSWERS ABOUT THE MEETING AND VOTING

SPS Commerce, Inc. is soliciting proxies for use at the 2024 Annual Meeting of Stockholders to be held on May 16, 2024, and at any adjournment or postponement of the 2024 Annual Meeting of Stockholders.

Purpose of the Meeting

At our 2024 Annual Meeting of Stockholders, stockholders will act upon the matters outlined in the Notice of Annual Meeting, and management will report on matters of current interest to our stockholders and respond to questions from our stockholders. The matters outlined in the Notice include the following:

1. Election of seven directors, each to a one-year term;
2. Ratification of the selection of KPMG as our independent auditor for the year ending December 31, 2024;
3. Advisory approval of the compensation of our NEOs; and
4. Approval of an amendment to the Ninth Amended and Restated Certificate of Incorporation of SPS Commerce, Inc. to allow for exculpation of officers as permitted by Delaware law.

Meeting Voting Rights and Attendance

1. Q *Who is entitled to vote at the 2024 Annual Meeting of Stockholders?*

A The Board has set March 22, 2024 as the record date for the 2024 Annual Meeting of Stockholders. If you were a stockholder of record at the close of business on March 22, 2024, you are entitled to vote at the 2024 Annual Meeting of Stockholders. As of the record date, 37,088,866 shares of common stock, representing all of our voting stock, were issued and outstanding and, therefore, eligible to vote at the 2024 Annual Meeting of Stockholders.

2. Q *What are my voting rights?*

A Holders of our common stock are entitled to one vote per share. Therefore, a total of 37,088,866 votes are entitled to be cast at the 2024 Annual Meeting of Stockholders. There is no cumulative voting.

3. Q *How many shares must be present to hold the 2024 Annual Meeting of Stockholders?*

A In accordance with our bylaws, shares equal to a majority of the voting power of the outstanding shares of common stock entitled to vote generally in the election of directors as of the record date must be present at the 2024 Annual Meeting of Stockholders in order to hold the 2024 Annual Meeting of Stockholders and conduct business. This is called a quorum. Shares are counted as present at the 2024 Annual Meeting of Stockholders if:

- you are present (virtually) and vote at the 2024 Annual Meeting of Stockholders; or
- you have properly and timely submitted your proxy as described below under "How do I submit my proxy?"

4. Q *What is the difference between a stockholder of record and a "street name" holder?*

A If your shares are registered directly in your name, you are considered the stockholder of record with respect to those shares. If your shares are held in a stock brokerage account or by a bank, trust or other nominee, then the broker, bank, trust or other nominee is considered to be the stockholder of record with respect to those shares, while you are considered the beneficial owner of those shares. In that case, your shares are said to be held in "street name." Street name holders generally cannot vote their shares directly and must instead instruct the broker, bank, trust, or other nominee how to vote their shares using the method described below under "How do I submit my proxy?"

5. Q *How can I attend the 2024 Annual Meeting of Stockholders?*

A All of our stockholders are invited to attend the 2024 Annual Meeting of Stockholders virtually. The 2024 Annual Meeting of Stockholders is not being held in person. We believe that hosting the 2024 Annual Meeting of Stockholders online enables increased attendance and participation from locations around the world. The 2024 Annual Meeting of Stockholders has been designed to provide the same rights to participate as you would have at an in-person 2024 Annual Meeting of Stockholders.

6. Q ***What do I need to attend the 2024 Annual Meeting of Stockholders?***

A We will be hosting our 2024 Annual Meeting of Stockholders via live webcast. Stockholders can attend the 2024 Annual Meeting of Stockholders online at: www.virtualshareholdermeeting.com/SPSC2024. The webcast will begin at 8:00 a.m., Central Time. We encourage you to access the 2024 Annual Meeting of Stockholders prior to the start time. In order to participate in the 2024 Annual Meeting of Stockholders, you will need the 16-digit control number located on your Notice, on your proxy card or on the instructions that accompanied your proxy materials. A replay of the 2024 Annual Meeting of Stockholders will be publicly available on the Investor Relations page of our website for at least 30 days after the 2024 Annual Meeting of Stockholders.

7. Q ***How can I submit a question at the 2024 Annual Meeting of Stockholders?***

A If you would like to submit a question at the 2024 Annual Meeting of Stockholders, you may type your question into the dialog box provided at any point during the virtual 2024 Annual Meeting of Stockholders (until the floor is closed to questions). In order to allow us to answer questions from as many stockholders as possible, we limit each stockholder to one question. Questions and answers may be grouped by topic and substantially similar questions may be answered at once. If we do not have time to answer all the appropriate questions that have been submitted, we expect to post any additional questions and our answers on the Investor Relations page of our website promptly following the 2024 Annual Meeting of Stockholders and retain them for 30 days after the 2024 Annual Meeting of Stockholders.

8. Q ***What if I have technical difficulties or trouble accessing the 2024 Annual Meeting of Stockholders?***

A If you encounter any technical difficulties with accessing the virtual 2024 Annual Meeting of Stockholders, please call the technical support number that will be posted on the 2024 Annual Meeting of Stockholders website log-in page.

Information about the Notice and Proxy Materials

1. Q ***What is a proxy?***

A

A proxy is a designation for another person to vote stock you own; that other person is called a proxy. If you designate someone as your proxy in a written document, that document is called a form of proxy or a proxy card. When you designate a proxy, you also may direct the proxy how to vote your shares. We refer to this as your "proxy vote." Two executive officers, Chad Collins and Kimberly Nelson, have been designated as proxies for our 2024 Annual Meeting of Stockholders.

2. Q ***If I received a one-page Notice, how can I receive a full set of printed proxy materials?***

A

As permitted by SEC rules, we have elected to provide access to our proxy materials over the internet to record owners and any beneficial owners of our stock who have not previously requested printed proxy materials, which reduces our costs and the environmental impact of our 2024 Annual Meeting of Stockholders. The Notice contains instructions on how to request a printed set of proxy materials, which we will provide to stockholders upon request at no cost to the requesting stockholder within three business days after receiving the request. If you would like to request a printed set of proxy materials, please make your request on or before May 2, 2024 to facilitate timely delivery.

3. Q ***How do I submit my proxy?***

A If you are a stockholder of record, you can submit a proxy to be voted at the 2024 Annual Meeting of Stockholders in any of the following ways:

- over the internet using www.proxyvote.com,
- over the telephone by calling a toll-free number; or
- signing, dating, and mailing the proxy card in the envelope provided.

To vote by telephone or the internet, you will need to use a control number that was provided to you by our vote tabulator, Broadridge Financial Solutions, and then follow the additional steps when prompted. The steps have been designed to authenticate your identity, allow you to give voting instructions, and confirm that those instructions have been recorded properly.

If you hold your shares in street name, you must vote your shares in the manner prescribed by your broker, bank, trust, or other nominee, which is similar to the voting procedures for stockholders of record. If you request the proxy materials by mail after receiving the Notice, you will receive a voting instruction form (not a proxy card) to use in directing the broker, bank, trust, or other nominee how to vote your shares.

4. Q ***What does it mean if I receive more than one printed set of proxy materials?***

A If you receive more than one Notice or printed set of proxy materials, it means that you hold shares registered in more than one account. To ensure that all of your shares are voted, vote once for each control number you receive as described above under “How do I submit my proxy?”

5. Q ***Who pays for the cost of proxy preparation and solicitation?***

A SPS pays for the cost of proxy preparation and solicitation, including the reasonable charges and expenses of brokerage firms, banks, trusts or other nominees for forwarding proxy materials to street name holders. In addition, our directors, officers, and regular employees may solicit proxies personally, telephonically, electronically or by other means of communication. Our directors, officers and regular employees will receive no additional compensation for their services other than their regular compensation.

Voting

1. Q ***How do I vote?***

A See the “How to Vote by Proxy” section earlier in this document for instructions on the different options on how to vote by proxy.

2. Q ***How does the Board recommend that I vote?***

A The Board recommends a vote:

- **FOR** the election of each of the nominees for director;
- **FOR** the ratification of the selection of KPMG as the independent auditor of SPS Commerce, Inc. for the year ending December 31, 2024;
- **FOR** advisory approval of the compensation of our NEOs; and
- **FOR** the approval of an amendment to the Ninth Amended and Restated Certificate of Incorporation of SPS Commerce, Inc. to allow for exculpation of officers as permitted by Delaware law.

3. Q ***What if I do not specify how I want my shares voted?***

A

If you are a stockholder of record and submit a signed proxy card or submit your proxy by internet or telephone but do not specify how you want to vote your shares on a particular matter, we will vote your shares as follows:

- **FOR** the election of each of the nominees for director;
- **FOR** the ratification of the selection of KPMG as the independent auditor of SPS Commerce, Inc. for the year ending December 31, 2024;
- **FOR** advisory approval of the compensation of our NEOs; and
- **FOR** the approval of an amendment to the Ninth Amended and Restated Certificate of Incorporation of SPS Commerce, Inc. to allow for exculpation of officers as permitted by Delaware law.

Your vote is important. We urge you to vote, or to instruct your broker, bank, trust, or other nominee how to vote, on all matters before the 2024 Annual Meeting of Stockholders. If you are a street name holder and fail to instruct the stockholder of record how you want to vote your shares on a particular matter, those shares are considered to be "uninstructed." New York Stock Exchange rules determine the circumstances under which member brokers of the New York Stock Exchange may exercise discretion to vote "uninstructed" shares held by them on behalf of their clients who are street name holders. Other than the ratification of the selection of KPMG as our independent auditor for the year ending December 31, 2024, the rules do *not* permit member brokers to exercise voting discretion as to the uninstructed shares on any matter included in the notice of meeting. With respect to the ratification of the selection of KPMG as our independent auditor for the year ending December 31, 2024, the rules permit member brokers to exercise voting discretion as to the uninstructed shares. For matters with respect to which the broker, bank or other nominee does not have voting discretion or has, but does not exercise, voting discretion, the uninstructed shares will be referred to as a "broker non-vote." For more information regarding the effect of broker non-votes on the outcome of the vote, see below under "How are votes counted?"

4. Q ***Can I change my vote after submitting my proxy?***

A Yes. You may revoke your proxy and change your vote at any time before your proxy is voted at the 2024 Annual Meeting of Stockholders, in any of the following ways:

- by submitting a later-dated proxy by telephone or the internet before 11:59 p.m. ET on May 15, 2024 for shares held directly and before 11:59 p.m. ET on May 13, 2024 for shares held in the Plan;
- by submitting a later-dated proxy to the Chief Financial Officer of SPS, which must be received by us before the time of the 2024 Annual Meeting of Stockholders;
- by sending a written notice of revocation to the Chief Financial Officer of SPS, which must be received by us before the time of the 2024 Annual Meeting of Stockholders; or
- by voting at the virtual 2024 Annual Meeting of Stockholders.

5. Q ***Can I vote my shares at the 2024 Annual Meeting of Stockholders?***

A If you are a stockholder of record or beneficial owner of common stock as of the close of business on the record date, you may vote your shares during the virtual 2024 Annual Meeting of Stockholders by using the 16-digit control number on your Notice, your proxy card, or your voting instruction form, as applicable, on www.virtualshareholdermeeting.com/SPSC2024. Even if you currently plan to attend the 2024 Annual Meeting of Stockholders, we recommend that you submit your proxy as described above so your vote will be counted if you later decide not to attend the 2024 Annual Meeting of Stockholders. If you submit your vote by proxy and later decide to vote at the Meeting, the vote you submit at the 2024 Annual Meeting of Stockholders will override your proxy vote.

6. Q ***What vote is required to approve each item of business included in the Notice of Meeting?***

A A director nominee will be elected if the number of votes cast "FOR" the nominee exceeds the number of votes cast "AGAINST" the nominee. Any incumbent director who does not receive a greater number of votes "FOR" than "AGAINST" his or her reelection in an uncontested election shall tender his or her resignation to the Board, subject to acceptance. The Board will determine whether to accept or reject the offer to resign within 90 days of certification of the stockholder vote.

The affirmative vote of the holders of a majority of the outstanding shares of common stock present at the 2024 Annual Meeting of Stockholders or represented by proxy and entitled to vote at the 2024 Annual Meeting of Stockholders is required to ratify the selection of our independent auditor.

For the advisory vote to approve the executive compensation of our NEOs, there is no minimum approval necessary for the proposal since it is an advisory vote; however, the Board will consider the results of the advisory vote when considering future decisions related to such proposals.

The affirmative vote of the holders of a majority of the outstanding shares of our common stock is required to approve the amendment to our Ninth Amended and Restated Certificate of Incorporation to allow for exculpation of officers as permitted by Delaware law.

7. Q ***How are votes counted?***

A You may vote "FOR," "AGAINST" OR "ABSTAIN" for each director nominee and on the other proposals. If you properly submit your proxy but abstain from voting for a director nominee or on the other proposals, your shares will be counted as present at the 2024 Annual Meeting of Stockholders for the purpose of determining a quorum and for the purpose of calculating the vote on the particular matter(s) with respect to which you abstained from voting. If you do not submit your proxy or voting instructions and also do not vote at the annual meeting, your shares will not be counted as present at the 2024 Annual Meeting of Stockholders for the purpose of determining a quorum unless you hold your shares in street name and the broker, bank, trust or other nominee has discretion to vote your shares and does so. For more information regarding discretionary voting, see the information above under "What if I do not specify how I want my shares voted?"

If you abstain from voting for one or more of the director nominees or you do not vote your shares on this matter (whether by broker non-vote or otherwise), this will have no effect on the outcome of the vote. With respect to the proposal to ratify the selection of KPMG as our independent auditor, if you abstain from voting, doing so will have the same effect as a vote against the proposal, but if you do not vote your shares (or, for shares held in street name, if you do not submit voting instructions and your broker, bank, trust or other nominee does not or may not vote your shares), this will have no effect on the outcome of the vote. Abstentions and broker non-votes will have no effect on the advisory vote to approve the compensation of our NEOs. Abstentions and broker non-votes will have the same effect as a vote against the proposal to approve the amendment to our Ninth Amended and Restated Certificate of Incorporation.

ITEM 1 – ELECTION OF DIRECTORS

The Board currently consists of eight directors. Our Amended and Restated Bylaws provide that each member of our Board is elected annually by a majority of votes cast if the election is uncontested. All of our directors, except for Mr. Collins, were elected by our stockholders at our 2023 annual meeting of stockholders. Mr. Collins was appointed as a director of the Company upon his appointment as CEO on October 2, 2023. Mr. Collins was identified by a third-party search firm.

Based upon the recommendation of the Governance & Nominating Committee, the Board has nominated seven directors for election at the 2024 Annual Meeting of Stockholders. As announced by the Company on February 29, 2024, Mr. Black will not stand for re-election as a director at the 2024 Annual Meeting of Stockholders. The Board has taken action to reduce the size of the Board to seven members effective upon the expiration of Mr. Black's term as a director at the 2024 Annual Meeting of Stockholders. Proxies cannot be voted for a greater number of persons than seven, which is the number of nominees named in this Proxy Statement.

The following are directors who currently serve on our Board and are nominated for reelection and continued service.

Name	Age(1)	Position	Director Since	Independent
Chad Collins	48	Chief Executive Officer	2023	No
James Ramsey	51	Director	2014	Yes
Marty Reaume	58	Director	2018	Yes
Tami Reller	59	Director	2016	Yes
Philip Soran	67	Lead Independent Director(2)	2010	Yes
Anne Sempowski Ward	52	Director	2020	Yes
Sven Wehrwein	73	Director	2008	Yes

(1) Age as of April 4, 2024
(2) Effective immediately after the conclusion of our 2024 Annual Meeting of Stockholders, Mr. Soran will become Chair of the Board.

All nominated Board members have agreed to serve as directors if elected. If, for any reason, any nominee becomes unable to serve before the 2024 Annual Meeting of Stockholders occurs, the persons named as proxies may vote your shares for a substitute nominee selected by our Board. The director nominees, if reelected, will serve until our 2025 annual meeting of stockholders or until their successors are elected and qualified.

Item 1

The Board recommends a vote FOR the election of each of the director nominees. Proxies will be voted FOR the election of each of the nominees unless otherwise specified.

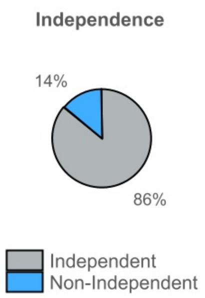
Set forth below is biographical information for each of the nominated directors. The following includes certain information regarding our director nominees' collective and individual experience, qualifications, attributes, and skills that led the Board to conclude that the makeup of the Board is appropriate and each nominee should continue service.

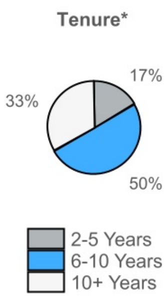
Director Skills, Experience and Diversity

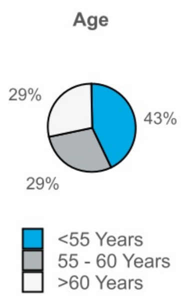
The Board strives for well-qualified directors, with the diversity, experience, and skill to be effective and to provide strong oversight and thought leadership to management and exercise oversight responsibilities on behalf of SPS stockholders. Each director brings experience, skills, and diversity that complement those of the other directors. The Board believes that all the directors nominated for election are highly qualified, and have the skills, experience, and diversity required for service on the Board.

Core skills, experiences, and statistics for each of our director nominees are included in the summary graphics below. The lack of a skill or experience noted below does not mean the director does not possess that qualification but rather a noted skill or experience indicates a specific area of focus or expertise on which the Board relies most heavily.

	Collins	Ramsey	Reaume	Reller	Soran	Sempowski Ward	Wehrwein
Knowledge, Experience, and Skill							
Financial Literacy Experience in overseeing and understanding financial statements, capital structure, and internal controls	●			●	●	●	●
SaaS Experience in the Software-as-a-Service (SaaS) business model	●	●	●	●	●		●
Technology Experience in managing and developing technology, including cybersecurity	●			●	●		●
Retail Market Experience in our primary customer market, retailers	●					●	
Senior Leadership / Corporate Governance Experience in senior leadership or the direct management of corporate governance to assist in our organizational and operating structures, including risk management	●	●	●	●	●	●	●
Talent Management / Human Resources Experience in the direct management of retaining and compensating people	●	●	●		●	●	
Sales / Customer Engagement Experience in the direct management of the sales or customer success organizational functions	●	●		●	●	●	
Mergers & Acquisitions Experience in the various phases of M&A work including target identification, due diligence, agreement negotiation and review, and integration	●	●	●	●	●	●	●
International Operations Experience in the complex landscape of existing and growth into multi-national operations	●	●	●	●	●		
Gender							
Male	●	●			●		●
Female			●	●		●	
Race/Ethnicity							
African American or Black						●	
White	●	●	●	●	●		●







Average Tenure*
9.7

Average Age
58

*excludes non-independent directors

Nominees for Directors

Chad Collins

Director since 2023
Chief Executive Officer, SPS Commerce, Inc.

Professional Highlights	***Skills and Experiences***
○ SPS Commerce, Inc., CEO, 2023 - present ○ Körber Supply Chain, CEO - Software, 2020 - 2023 *Global provider of a wide range of end-to-end supply chain solutions* ○ Highjump Software (and parent company, Accellos), various leadership roles, 2002 - 2020, including President, 2015-2017, and CEO, 2017 - 2020 *Global provider of supply chain management software and trading partner software* ○ Cap Gemini Ernst & Young, Supply Chain Consultant, 1998 - 2002	• Financial Literacy • SaaS • Technology • Retail Market • Senior Leadership / Corporate Governance • Talent Management / Human Resources • Sales / Customer Engagement • Mergers & Acquisitions • International Operations

Primary Nominee Qualifications	Extensive management and operational experience in supply chain technology, as well as his role with our Company.

James Ramsey

Director since 2014

Professional Highlights	***Skills and Experiences***
○ Director Informed IQ, *a banking technology company* Wisdom Labs, *a workplace wellbeing technology company* Ambra Health (formerly DicomGrid), *a medical data and image management cloud software company* ○ Vlocity Inc., Director, 2014 - 2020 *Co-founder of the industry-specific cloud CRM application provider* ○ Flipgrid, Inc., Director, 2014 - 2019 *Education technology software company* ○ NetSuite Inc., several executive roles including Executive Vice President of Worldwide Sales and Distribution, 2003 - 2013 *Publicly traded provider of cloud-based business management software* ○ Oracle Corporation, various sales management roles, 1995 - 2003 *Publicly traded software and technology provider*	• SaaS • Senior Leadership / Corporate Governance • Talent Management / Human Resources • Sales / Customer Engagement • Mergers & Acquisitions • International Operations

Primary Nominee Qualifications	Experience in software sales and in rapidly scaling sales organizations.

Nominees for Directors

Marty Reaume

Director since 2018

Professional Highlights

- SemperVirens Venture Capital, HR Venture Advisor, 2020 - present
  Early stage venture capital fund
- Director
  Wisdom Labs, *a workplace wellbeing technology company*
  OpenClassrooms, *an online education and training platform* (Advisory Board)
- Twilio Inc., Chief People Officer, 2017 - 2019
  Publicly traded developer and provider of a communication cloud-based platform
- Fitbit, Inc., Chief People Officer, 2015 - 2017
  Publicly traded health solution technology provider
- NetSuite, Inc., Chief People Officer, 2009 - 2014; Head of Human Resources, 2006 - 2009
  Publicly traded provider of cloud-based business management software

Skills and Experiences

- SaaS
- Senior Leadership / Corporate Governance
- Talent Management / Human Resources
- Mergers & Acquisitions
- International Operations

Primary Nominee Qualifications	Strong human resources, executive compensation, talent acquisition and development, and mergers and acquisitions expertise.

Tami Reller

Director since 2016
Chair of the Board, 2018 - 2021

Professional Highlights

- Duly Health and Care, Executive Chair, 2023 - present; CEO, 2022 - 2023; President, 2021 - 2022
  Multi-specialty health care group
- UnitedHealth Group, Executive Vice President and Chief Marketing and Experience Officer of UnitedHealthcare, 2017 - 2021
  Publicly traded health benefits platform
- Optum (subsidiary of UnitedHealth Group), Chief Growth Officer, Chief Financial Officer, 2016 - 2017; Chief Marketing Officer, 2014 - 2016
  Healthcare services provider
- Microsoft Corporation, several executive roles including Executive Vice President of Marketing, Divisional Chief Financial Officer and Marketing Officer, 2001 - 2014
  Publicly traded software and technology company
- Great Plains Software, Chief Financial Officer, 1999 - 2001
  Publicly traded accounting and ERP software provider

Skills and Experiences

- Financial Literacy
- SaaS
- Technology
- Senior Leadership / Corporate Governance
- Sales / Customer Engagement
- Mergers & Acquisitions
- International Operations

Primary Nominee Qualifications	Extensive experience managing software companies, financial understanding and auditing review, and general business knowledge.

Nominees for Directors

Philip Soran

Director since 2010
Chair of the Board: 2014 - 2017, 2022 - 2023
Lead Independent Director: 2023 - Present

Professional Highlights

- Director
  - Piper Sandler Companies, *a publicly traded investment bank and asset management firm; Lead director since 2018*
  - Foodsby, *a food delivery service*
  - Origina, *a technology services company*
  - Spineology Inc., *a medical technology company*
- Flipgrid, Inc., Executive Chairman, 2015 – 2018
  Education technology software company
- Compellent Technologies, Inc., President, CEO, Director, 2002 - 2012
  Co-founded publicly traded software company
- Xiotech, President, CEO, Director, 1995 - 2001
  Co-founded network storage business
- Prodea Software Corporation, Executive Vice President, 1993 - 1995
  Data warehousing software company

Skills and Experiences

- Financial Literacy
- SaaS
- Technology
- Senior Leadership / Corporate Governance
- Talent Management / Human Resources
- Sales / Customer Engagement
- Mergers & Acquisitions
- International Operations

Primary Nominee Qualifications	Experience as a chief executive officer of a publicly traded company, service on a variety of public and private technology-related company boards, and experience in founding and building technology companies as well as corporate vision and operational knowledge.

Anne Sempowski Ward

Director since 2020

Professional Highlights

- CURiO Brands (formerly The Thymes, LLC), CEO and Chair, 2012 - present
  Consumer goods provider
- Director
  - Vanda Pharmaceuticals, *publicly traded biopharma company*
  - Spectrum Brands, *publicly traded consumer goods provider (through 2021)*
- The FORWARD Group, CEO, 2010 - 2012
  Co-founded business consulting group
- Johnson Publishing Company, President & Chief Operating Officer, 2007 - 2010
  Media and beauty company
- The Coca-Cola Company, Assistant Vice President, 2006 - 2007
  Publicly traded multinational consumer goods provider
- Procter & Gamble, Associate Marketing Director, 1994 - 2006
  Publicly traded multinational consumer goods provider

Skills and Experiences

- Financial Literacy
- Retail Market
- Senior Leadership / Corporate Governance
- Talent Management / Human Resources
- Sales / Customer Engagement
- Mergers & Acquisitions

Primary Nominee Qualifications	Experience as a chief executive officer and brand builder in the high-growth consumer and retail environment, executive experience with consumer goods companies and extensive marketing, brand management, and operational leadership for companies across multiple sectors.

Nominees for Directors

Sven Wehrwein

Director since 2008

Professional Highlights	*Skills and Experiences*
○ Independent financial consultant to emerging companies, 1999 - present ○ Over 40 years in accounting and finance roles as a certified public accountant (inactive), investment banker to emerging growth companies, chief financial officer, and audit committee chair ○ Director Atricure, Inc., *publicly traded medical device company* Proto Labs, Inc., *publicly traded internet-enabled manufacturer of custom parts* ○ Served as a director of the following publicly traded companies: Cogentix Medical, Inc., 2006 - 2016 Compellent Technologies, Inc., 2007 - 2011 Image Sensing Systems, Inc., 2006 - 2012 Synovis Life Technologies, Inc., 2004 - 2012 Vital Images, Inc., 1997 - 2011	• Financial Literacy • SaaS • Technology • Senior Leadership / Corporate Governance • Mergers & Acquisitions

Primary Nominee Qualifications	Capabilities in financial understanding, strategic planning, and auditing expertise, given his experiences in investment banking and in financial leadership positions.

INFORMATION REGARDING THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

The Board conducts its business through meetings of established standing committees. Each of the standing committees has adopted and operates under a written charter, all of which are available within our corporate governance section of our investor relations portion of our website at *www.spscommerce.com*. We have adopted a code of business conduct and ethics relating to the conduct of our business by our directors, officers (including our principal executive officer and principal financial officer), and employees (our "Code of Conduct"), that can also be found in the same section on our website. We plan to post on our website at the address described above any future amendments or waivers of our Code of Conduct. Additionally, our Corporate Governance Guidelines are also available in the same section on our website.

Board Leadership Structure

One of the key responsibilities of the Board is to have a leadership structure that allows it to provide effective oversight of management and maximize the contributions of its members. The Board evaluates its leadership structure on an ongoing basis. The Board does not have a policy as to whether the position of the Chair of the Board and the position of the CEO or other executive position should be separate. Rather, the Board believes it should retain the flexibility to decide what is in the best interest of the Company at any point in time. If the position of Chair is held by a director who is not independent, the Board will appoint a Lead Independent Director from among its members using criteria the Board deems appropriate. If the Chair is an independent director, then the duties of the Lead Independent Director described below shall be part of the duties of the Chair.

The Board believes that in the absence of an independent Chair, a Lead Independent Director is an integral part of a governance structure that promotes strong, independent oversight of the Company's management and affairs. In fulfilling his or her responsibilities, the Lead Independent Director, if any, will: preside at all meetings of the Board when the Chairperson is not present; convene and preside at meetings of the independent directors, including executive sessions; review and provide input on meeting agendas for the Board and its committees; and perform such other duties as may be requested by the Board. Currently:

- Chad Collins serves as our CEO, and has done so since October 2, 2023.
- Archie Black serves as Executive Chair of the Board, and has done so since October 2, 2023. He will continue as our Executive Chair until the 2024 Annual Meeting of Stockholders when his term as a director ends.
- Philip Soran serves as our Lead Independent Director, and has done so since October 2, 2023. He will continue to serve in such capacity until the 2024 Annual Meeting of Stockholders at which time he will become Chair of the Board. He also served as Chair of the Board from 2022 to October 2, 2023, as well as from 2014 to 2017.

Board Committees

The Board has established an Audit Committee, a Compensation & Talent Committee, a Governance & Nominating Committee and a Finance & Strategy Committee. The following sets forth the membership of each of our committees as of March 22, 2024.

	COMMITTEES			
DIRECTOR[1]	Audit	Compensation & Talent	Governance & Nominating	Finance & Strategy
James Ramsey		●	◆	
Marty Reaume		◆	●	●
Tami Reller	●			
Anne Sempowski Ward	●		●	
Philip Soran		●		●
Sven Wehrwein	◆			◆

◆ Chair ● Member

[1] Neither Mr. Collins nor Mr. Black currently serve on a committee.

The primary responsibilities, members, and number of meetings in 2023 of each Board committee are discussed in turn below.

Audit Committee

Chair:
Sven Wehrwein

Additional Members:
Tami Reller
Anne Sempowski Ward

Number of Meetings Held in 2023:
6

Among other matters, our Audit Committee:

- assesses management's processes for ensuring the quality and integrity of the Company's financial statements through oversight of the accounting and financial reporting process and audits of the financial statements;
- evaluates the qualifications, performance and independence of our independent auditor and reviews and approves both audit and non-audit services to be provided by the independent auditor;
- discusses with management and our independent auditors any major issues as to the adequacy of our internal controls, any actions to be taken in light of significant or material control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting;
- oversees our legal and regulatory compliance process;
- oversees management's processes to monitor, control, and report on significant corporate risk exposures;
- establishes procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls or auditing matters, including the confidential, anonymous submission by employees of concerns regarding accounting or auditing matters;
- oversees our investment and cash management policies;
- oversees, reviews and discusses with management: the Company’s cybersecurity, information technology and data security risks and threats; the potential impact of those risks and threats on the Company’s business, operations and reputation; and management’s processes, procedures and actions to identify, assess, monitor, mitigate and remediate such risks and threats; and
- prepares the Audit Committee report that SEC rules require to be included in our annual Proxy Statement.

Each of the members of our Audit Committee meets the requirements for financial literacy under the applicable rules and regulations of the SEC and the Nasdaq Global Market. Our Board has determined that Mr. Wehrwein is an Audit Committee financial expert, as defined under the applicable rules of the SEC. Each member of our Audit Committee satisfies the Nasdaq Global Market independence standards and the independence standards of Rule 10A-3(b)(1) of the Securities Exchange Act of 1934.

Compensation & Talent Committee

Chair: Marty Reaume **Additional Members:** James Ramsey Philip Soran **Number of Meetings Held in 2023:** 5	Among other matters, our Compensation & Talent Committee: • reviews and approves, on an annual basis, the goals, and objectives relevant to our executive officers' compensation; • assesses and approves our CEO and other executive officers' annual compensation, including salary, bonus, incentive and equity-based compensation, based on a review of executive officer performance evaluations, a review of peer company compensation programs, and external consultations; • administers our equity compensation plans; • periodically reviews the compensation paid to our non-employee directors and recommends any adjustments in director compensation to our Board; • oversees and administers our compensation recovery policies; and • reviews and provides guidance to management with respect to our human capital management policies, programs and strategies, including but not limited to those regarding talent recruitment, development and retention, health and safety, organizational culture, diversity, equity and inclusion, and compensation and benefits.

Governance & Nominating Committee

Chair: James Ramsey **Additional Members:** Marty Reaume Anne Sempowski Ward **Number of Meetings Held in 2023:** 8	Among other matters, our Governance & Nominating Committee: • identifies and recommends individuals qualified to become members of the Board; • determines the composition of the Board and its committees; • oversees the evaluation of our Board and individual directors; • reviews and recommends any modifications to our Corporate Governance Guidelines; • recommends to the Board succession plans for our CEO and other critical, senior management positions; and • provides oversight of, and periodically discusses with management, the Company's objectives, policies, and efforts related to ESG and other corporate responsibility matters, including with respect to sustainability, environmental, corporate citizenship, social, governance, political, and public policy matters.

Finance & Strategy Committee

Chair: Sven Wehrwein **Additional Members:** Marty Reaume James Ramsey **Number of Meetings Held in 2023:** 4	Among other matters, our Finance & Strategy Committee assists the Board in matters involving certain finance and strategic matters, including: • reviewing and monitoring the management of capital; • reviewing dividend and share repurchase policies and practices: and • reviewing proposed merger, acquisition, recapitalization, financing and other similar transactions.

Meeting Attendance

Our Corporate Governance Guidelines provide that our directors are expected to attend meetings of the Board and of the committees on which they serve, as well as our annual meeting of stockholders. Our Board and the committees held the following meetings during 2023.

Committee	Meetings (#)
Audit	6
Compensation & Talent	5
Governance & Nominating	8
Finance & Strategy	4
Full Board of Directors	7

Each of our directors attended at least 75% of the meetings of the Board and the committees on which they served during 2023, and each of our directors at the time attended our 2023 annual meeting of stockholders.

Board Involvement in Risk Oversight

Responsibility of Management	Our management is responsible for identifying the various risks facing us, formulating risk management policies and procedures, and managing our risk exposures on a day-to-day basis.
Responsibility of the Board	The Board is responsible for monitoring our risk management processes by informing itself concerning our material risks and evaluating whether management has reasonable controls in place to address the material risks; the Board is not responsible, however, for identifying or managing our various risks.
Responsibility of the Audit Committee	The Audit Committee is primarily responsible for providing oversight in the areas of financial risk, legal and regulatory compliance, and cybersecurity risk. The Board, with the assistance from the Audit Committee, is primarily responsible for monitoring management's responsibility in all other areas of risk management for the Company.
Responsibility of the Compensation & Talent Committee	The Compensation & Talent Committee is charged with overseeing risks associated with our variable compensation policies and practices and annually reviews whether risks arising from our compensation policies and practices for our employees are reasonably likely to have a material adverse effect on SPS.

The Audit Committee and the full Board focus on the material risks facing us, including financial, operational, market, geographic, liquidity, legal and regulatory, and cybersecurity risks, to assess whether management has reasonable controls in place to address these risks. Accordingly, management regularly reported to the Audit Committee and the Board on the risks described above and related risk management during 2023. The Board believes this division of responsibilities provides an effective and efficient approach for addressing risk management.

Procedures for Contacting the Company, including the Board

Throughout this Proxy Statement, we identify reasons stockholders may need or wish to contact the Company. All of those communications should be directed to the title of the person indicated at the address below.

Stockholders who wish to communicate with the Board may do so by writing to the Board or a particular director in care of the Secretary of the Company. Communications should be delivered to the address below, with attention to “Secretary”.

SPS Commerce, Inc.
333 South Seventh Street, Suite 1000
Minneapolis, Minnesota 55402

All communications addressed to the Board will initially be received and processed by the Secretary of the Company, who will then refer the communication to the appropriate Board member (either the director named in the communication, the chairperson of the Board committee having authority over the matter raised in the communication, or the chairperson of the Board in all other cases). The director to whom a communication is referred will determine, in consultation with our counsel, whether a copy or summary of the communication will be provided to the other directors. The Board will respond to communications if and as appropriate.

Director Independence

As required under the Nasdaq Global Market rules and regulations, a majority of the members of a listed company’s Board must qualify as “independent,” as affirmatively determined by the Board. The Board consults with our counsel to ensure that the Board’s determinations are consistent with all relevant securities and other laws and regulations regarding the definition of “independent,” including those set forth in pertinent listing standards of the Nasdaq Global Market, as in effect from time to time.

Consistent with these considerations, after review of all relevant transactions or relationships between each director, or any of his or her family members, and our Company, our management, and our independent registered public accounting firm, the Board has affirmatively determined that all of our Company’s directors are independent directors within the meaning of the applicable listing standards of the Nasdaq Global Market, except for Mr. Collins, our CEO, and Mr. Black, our Executive Chair.

As required under the Nasdaq Global Market rules and regulations, our independent directors meet in regularly scheduled executive sessions at which only independent directors are present. All members of each of the Audit Committee, Compensation & Talent Committee, and Governance & Nominating Committee have been determined by the Board to be independent within the meaning of the Nasdaq Global Market rules and regulations and applicable SEC rules.

Procedures for Selecting and Nominating Director Candidates

Stockholders may directly nominate a person for election to our Board by complying with the procedures set forth in Article II, Section 2.4(a)(2) of our bylaws, and with the rules and regulations of the SEC. Under our bylaws, only persons nominated in accordance with the procedures set forth in the bylaws will be eligible to serve as directors. In order to nominate an individual for service as a director, you must be a stockholder at the time you give the Board notice of your nomination, and you must be entitled to vote for the election of directors at the 2024 Annual Meeting of Stockholders at which your nominee will be considered. In accordance with our bylaws, director nominations generally must be made pursuant to notice delivered to, or mailed and received at, our principal executive offices at the address above, not later than the 90th day (February 15, 2025), nor earlier than the 120th day (January 16, 2025), prior to the first anniversary of the prior year's annual meeting of stockholders. Your notice must set forth all information relating to the nominee that is required to be disclosed in solicitations of proxies for the election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934 (including the nominee's written consent to being named in the Proxy Statement as a nominee and to serving as a director if elected). Your notice also must set forth certain information as set forth in our bylaws.

A stockholder who intends to solicit proxies in support of director nominees other than the Company's director nominees and who has delivered a notice of nomination pursuant to our bylaws shall promptly certify to the Company, and notify the Company in writing, that it has complied with or will comply with the requirements of Rule 14a-19 under the Exchange Act, and upon request of the Company, shall, not later than five business days prior to the date of the applicable meeting of stockholders, deliver to the Company reasonable evidence of such compliance.

If a stockholder desires to recommend a candidate for consideration by the Governance & Nominating Committee, instead of nominating that director for election by stockholders, the Governance & Nominating Committee will consider such director candidates recommended to it by stockholders in the same manner that it considers all director candidates. Stockholders who wish to suggest qualified candidates should write to the Company at the address listed above, to the attention of the Chair of the Governance & Nominating Committee, stating in detail the characteristics that make the candidate a suitable person to serve on our Board in light of our Corporate Governance Guidelines.

As required by our Corporate Governance Guidelines, when evaluating the appropriate characteristics of candidates for service as a director, the Governance & Nominating Committee takes into account many factors. The Board selects and recommends to stockholders qualified individuals who, if added to the Board, would provide the appropriate mix of director characteristics, experience, perspectives, and skills. Board candidates are considered based on various criteria, including breadth and depth of relevant business and Board skills and experiences, judgment and integrity, reputation in their profession, diversity of background, education, leadership ability, concern for the interests of stockholders and relevant regulatory guidelines. These considerations are made in the context of an assessment of the perceived needs of the Board at the particular point in time. We do not have a policy with respect to Board diversity, however, the Board seeks to have a Board that represents diversity as to gender, race, ethnicity, and background experiences. We are committed to inclusiveness and as such, when searching for director nominees, the Governance & Nominating Committee endeavors to include highly qualified diverse candidates (including gender, race, and ethnicity) in the pool from which nominees are chosen. Directors must be willing and able to devote sufficient time to carrying out their duties and responsibilities effectively and should be committed to serving on the Board for an extended period of time.

Board Diversity

As of April 4, 2024, the diversity of our Board was as follows:

Board Diversity Matrix

Total number of directors	8	
Part I: Gender Identity	**Female**	**Male**
Directors	3	5
Part II: Demographic Background		
African American or Black	1	—
White	2	5

Director Compensation

Our director compensation program is designed to compensate our non-employee directors fairly for work required for a company of our size and scope and to align their interests with the long-term interests of our stockholders. Director compensation reflects our desire to attract, retain, and use the expertise of highly qualified individuals serving on our Board. The Compensation & Talent Committee reviews the compensation structure and overall level of compensation arrangements for our non-employee directors every two years relative to the midpoint for non-employee directors of our Peer Group, as discussed in the Compensation Discussion & Analysis section below, and makes recommendations to our Board.

Equity Awards

Effective May 12, 2023, our director compensation program provided that each non-employee director received a total annual equity grant of $182,500. The equity-based compensation was split equally ($91,250) between stock options and the director's election for restricted stock, DSUs or a combination thereof. The components were granted on the date of the 2023 annual meeting of stockholders, calculated as the grant date fair value of the equity awards computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Stock Compensation ("ASC Topic 718"). The grants vest in four equal installments on the last day of each fiscal quarter, with the first vesting date occurring on June 30, 2023, provided the recipient remains a member of the Board as of each of the vesting dates. Stock options have an exercise price equal to the fair market value of our common stock on the date of grant. DSUs must be retained until completion of the director's service on the Board, and upon completion of such service, convert into an equal number of shares of our common stock. A director may defer receipt of the shares for up to ten years after completion of service.

The Board established a CEO Search Committee in 2023 for the purposes of leading our CEO search efforts. The non-employee directors who served on the committee received a one-time equity grant on August 3, 2023, with a value of $20,000 of restricted stock or DSUs, as elected by the director. This resulted in a grant of 118 shares to each of Messrs. Soran and Wehrwein and Ms. Reaume. The awards vest immediately prior to the 2024 Annual Meeting of Stockholders.

Additionally in connection with initial appointment to the Board, each new non-employee director receives a stock option grant to purchase $182,500 of shares of our common stock, granted following the release of earnings for the quarter in which appointment occurs. The shares vest in equal monthly installments over three years commencing on the first day of the calendar month following the initial appointment or election to the Board, provided the recipient remains a member of the Board as of each vesting date.

Cash Compensation

Non-employee directors receive cash fees in addition to the equity awards described above. Effective May 12, 2023, each non-employee director is eligible to receive the following cash retainers for roles served:

Membership	Chairperson Annual Cash Fee ($)(1)	Non-Chair Member Annual Cash Fee ($)(1)
Board of Directors	61,000 (2)	35,000
Audit Committee	20,000	10,000
Compensation & Talent Committee	15,000	7,000
Finance & Strategy Committee	10,000	5,000
Governance & Nominating Committee	8,000	4,000

(1) Directors receive pro-rata cash compensation for partial year membership.
(2) This amount is paid to the non-executive Chair of the Board or the Lead Independent Director, as applicable. Mr. Black's compensation for serving as Executive Chair is included in the "2023 Summary Compensation Table."

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

2023 Director Compensation Table

The table below sets forth the compensation paid to our non-employee directors during 2023.

Name(1)	Fees Earned or Paid in Cash ($)	Stock Awards ($)(2)	Option Awards ($)(2)	Total ($)
James Ramsey	47,635	91,096	91,203	229,934
Marty Reaume(3)	56,454	110,967	91,203	258,624
Tami Reller	42,817	91,096	91,203	225,116
Philip Soran(3)	72,272	110,967	91,203	274,442
Anne Sempowski Ward	46,817	91,096	91,203	229,116
Sven Wehrwein(3)	63,545	110,967	91,203	265,715

(1) Mr. Black and Mr. Collins did not receive any separate compensation for their service as directors. Mr. Black's and Mr. Collins' compensation for 2023 are set forth under the “2023 Summary Compensation Table.”
(2) Represents the grant date fair value of the stock and option awards granted during the year determined in accordance with ASC Topic 718. For a discussion of the relevant assumptions used to determine the valuation of our equity awards for financial reporting purposes, refer to Note A and Note K to the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.
(3) The compensation includes the one-time equity award for service on the CEO Search Committee, as discussed above.

Under our stock ownership guidelines, we require our non-employee directors to own shares of our common stock having a fair market value equal to five times the directors' annual base cash retainer ($175,000 for 2023). Non-employee directors must comply with the stock ownership guidelines within five years of their appointment to the Board. Until a non-employee director has achieved compliance with the ownership guidelines, the director must retain 50% of the net shares acquired upon exercise, vesting or settlement of any equity award. Currently, vested in-the-money options and vested RSUs count toward the ownership level, but effective January 1, 2027, unexercised stock options will not count toward the ownership level. As of March 22, 2024, all of our non-employee directors had met the stock ownership requirement or had served as a director for less than five years.

As of December 31, 2023, the non-employee directors held shares of unvested restricted stock, options, and exercisable options as follows:

Name	Unvested Restricted Stock (#)	Options: Total Outstanding (#)	Options: Outstanding and Exercisable (#)
James Ramsey	147	23,413	23,046
Marty Reaume	265	16,846	16,479
Tami Reller	147	29,468	29,101
Philip Soran	265	23,416	23,049
Anne Sempowski Ward	147	11,811	11,444
Sven Wehrwein	265	10,346	9,979

Corporate Responsibility

SPS Commerce is committed to advancing our efforts around corporate responsibility and environmental, social, and governance ("ESG") practices. We continue to develop our strategies and invest in areas that help us strengthen in the essential areas of diversity, equity, and inclusion as well as environmental sustainability and awareness.

Environmental Stewardship

SPS is a pioneer in cloud computing, helping realize more sustainable resource utilization and energy efficiencies. We strive to use our global resources wisely and enable our customers to minimize their own impacts on the environment. To better understand and mitigate our environmental impacts, we conducted our inaugural greenhouse gas ("GHG") emissions inventory in 2023, assessing our company-wide energy consumption, water usage, waste generation, and associated greenhouse gas emissions. To neutralize our impact, we purchased carbon offsets and renewable energy credits and are committed to disclosing our emissions profile on a regular basis on our Company website.

Diversity, Equity and Inclusion

We value diversity, equity, and inclusion and believe our differences make us, our customers, and our communities better. We strive to create an organization where every employee feels welcomed and is empowered to do their best work. We make our commitment to diversity, equity, and inclusion a reality by incorporating it into our human resource core processes and our talent strategies. Our Employee Resource Groups ("ERGs") foster connections across the globe, provide learning, engagement, and networking opportunities for employees of similar identities and interests. Since 2008, we have invested in student programs focused on creating opportunities for high school and college students who are part of underrepresented populations including women, genderqueer and non-binary individuals, and racial minorities. Further, through our Lift program, we partner with purpose-driven retailers to equip Black-owned suppliers with the SPS technology and expertise to fuel new and future trading partnerships.

Giving Back

At SPS, we believe generosity and caring make a difference. We actively contribute to our communities and encourage volunteerism and philanthropy among our employees. The Team SPS Gives Back Matching Program amplifies SPS employees' charitable contributions or volunteer hours with matching donations, furthering their support to the organizations they believe in and care about.

ESG Governance

Our ESG efforts are overseen by the Governance & Nominating Committee of our Board and are driven by a cross functional ESG Committee composed of leaders and subject matter experts from across our business. This group provides ESG-related reporting and metrics to help inform our decision-making and guide the important work happening across the organization.

For more information on our ESG and other corporate responsibility efforts, please see the Corporate Responsibility section of our website.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This Compensation Discussion and Analysis ("CD&A") discusses the philosophy and objectives underlying our executive compensation policies, practices and decisions, as well as the factors considered as part of our compensation analysis and decision-making. The CD&A describes the compensation of our NEOs in fiscal year 2023.

Named Executive Officers

Our NEOs, who constitute all of our executive officers, for 2023 were the following:

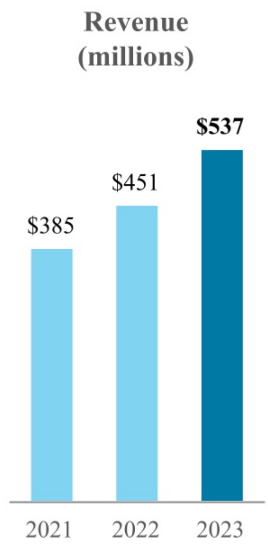
Chad Collins	*Kimberly Nelson*	*James Frome*	*Archie Black*
			
Chief Executive Officer[(1)]	**Executive Vice President & Chief Financial Officer**	**President & Chief Operating Officer**	**Executive Chair; Former Chief Executive Officer**[(1)]
Executive since 2023	Executive since 2007	Executive since 2001	Executive since 1998
Age 48[(2)]	Age 56[(2)]	Age 59[(2)]	Age 61[(2)]

(1) *See 'Chief Executive Officer Transition and Compensation' section on page 27-28*
(2) *Age as of December 31, 2023*

Executive Summary

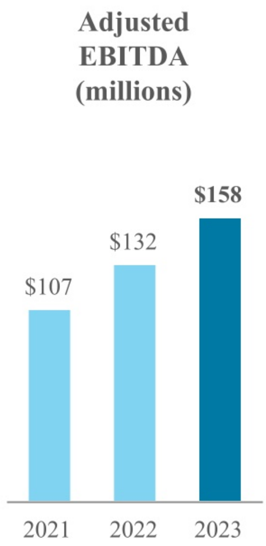
Financial and Business Highlights

In 2023, we demonstrated ongoing success in expanding our network as we continued to play a key role in retailers' and suppliers' transformation to omnichannel retail, improving supply chain efficiencies, and enabling our customers' international expansion. We delivered profitable growth and continued to invest for the future to strengthen our competitive position across a large, addressable market. For selected financial performance highlights and stockholder return, see below.

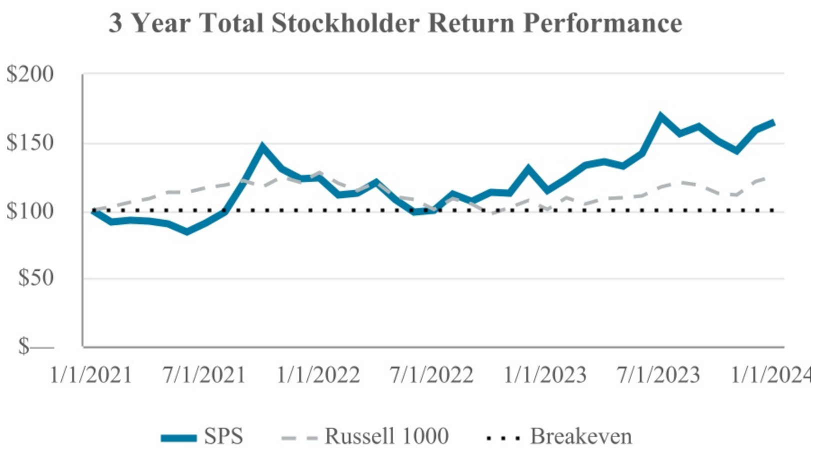


92
Quarters of Consecutive Revenue Growth

18%
Compound Annual Revenue Growth (CAGR)



Adjusted EBITDA is a non-GAAP financial measure. Refer to Appendix A in this Proxy Statement for a reconciliation of this non-GAAP financial measure to the corresponding GAAP measure.



83%
SPS Return

23%
Russell 1000 Return

Chief Executive Officer Transition and Compensation

As previously disclosed, on October 2, 2023, Chad Collins was appointed as our CEO. At that time, Archie Black became our Executive Chair of the Board in order to support a smooth transition of the CEO role and to provide for Mr. Black's leadership of the Board. In July 2023, we also announced the planned retirement of James Frome, President and Chief Operating Officer, effective December 31, 2024. The Board believes Mr. Frome's continued service through fiscal year 2024 also supports a smooth transition for Mr. Collins and our executive team.

Mr. Collins' compensation was determined through negotiations with him and his representatives prior to his hire. In order to understand market compensation levels, our Compensation & Talent Committee (the "Committee") engaged its third-party compensation consultant, Compensia, Inc. ("Compensia") to provide market data from our compensation peer group as well as examples of recent new hire CEO compensation packages from similarly sized technology companies. The Committee considered this market data, Mr. Collins' prior experience, internal pay equity, and our other compensation determination factors (as described in "*Factors Considered in Compensation Deliberations*" on page 33) to determine the total direct compensation and other compensation elements that would attract and retain Mr. Collins as our CEO. The details of Mr. Collins' 2023 total compensation package are as follows:

- **Base Salary:** An initial annualized base salary of $525,000, of which he received a pro-rata amount for his three months as CEO in fiscal year 2023.
- **Bonus/MIP:** A cash bonus payment in the amount of $131,250, payable on the same date as the payouts under the Company's Management Incentive Plan ("MIP") for fiscal year 2023. The Committee believed this was an important component of the overall package designed to attract Mr. Collins and create alignment upon his onboarding with the executive team. Mr. Collins will participate in the MIP for the 2024 fiscal year performance period.
- **One-Time Supplemental Equity Award:** In order to incentivize Mr. Collins to leave his prior employment and offset the value of the equity awards forfeited by Mr. Collins in connection with that departure, the Committee granted Mr. Collins a one-time supplemental equity award consisting of RSUs and PSUs.
    - The RSU award, with a value of approximately $6,500,000, was granted on November 2, 2023, with the number of RSUs determined by dividing the value by the closing stock price on the grant date. Of the award, RSUs with a value approximately $4,500,000 will vest as to one-fourth of the RSUs on the first anniversary of the grant date and the remaining RSUs will vest pro-rata over the following 36 consecutive months provided that Mr. Collins remains employed by the Company. The remaining approximately $2,000,000 of the RSUs subject to this award will vest as to half of the RSUs on the first anniversary of the date of grant with the remaining RSUs vesting pro-rata over the following 12 consecutive months provided that Mr. Collins remains employed by the Company.
    - The PSU award, with a value of approximately $2,000,000, was granted in 2024, at the same time and on the same terms as the 2024 annual PSU awards.
- Finally, in connection with the initial compensation package agreed to between the Company and Mr. Collins, in early 2024, Mr. Collins received an equity award, consisting of the 2024 annual equity award and a pro-rated 2023 annual equity award, consisting of RSUs and PSUs, as further described below.

Mr. Black served as our CEO until October 2, 2023, and then transitioned to Executive Chair. In connection with this transition, he continued to receive the same level of compensation and benefits as he did as CEO for the remaining three months of 2023. In 2024, Mr. Black will continue to serve as executive chair until our 2024 Annual Meeting of Stockholders and will receive a reduced compensation package reflective of his continued services during this period. The Board believed Mr. Black's role as Executive Chair, and his commensurate level of compensation, was crucial in providing for the smooth transition of the CEO role to Mr. Collins, and Mr. Black's leadership to the Board.

Fiscal 2023 Executive Compensation Highlights

During the first quarter of 2023, the Committee took the following key compensation actions with respect to our NEOs:

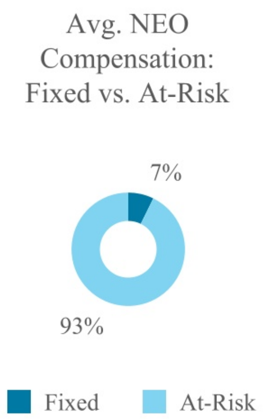
- **Base Salaries:** We increased the base salaries of Messrs. Black and Frome and Ms. Nelson between 3% and 6% in order to appropriately compensate them given their performance and experience, as well as to maintain market competitiveness.
- **Management Incentive Plan:** We maintained our formula-based target incentive cash bonus opportunity. Ms. Nelson received an increase in her target percentage opportunity from 75% to 80% of her base salary, and Messrs. Black and Frome's target percentage opportunity remained consistent with the prior year. Based on our strong operating results for fiscal year 2023, the formula-based bonus was paid at 140% of target amounts.
- **Equity Awards:** We approved RSU equity awards and performance-based PSU equity awards, each representing approximately 50% of Mr. Black's, Mr. Frome's, and Ms. Nelson's equity awards for fiscal year 2023. As in prior years, the PSUs are based on our relative TSR performance against the Russell 2000 Index measured over a three-year period. The equity awards had a target value of $3.5 million to Ms. Nelson, $3.7 million to Mr. Frome, and $8.3 million to Mr. Black, in order to ensure total direct compensation was competitive considering the significant increases in the total direct compensation of similar roles in the market data, and to continue to drive long term performance and stockholder alignment. This represented an increase of between 9% and 57% of each of these executive's total equity award opportunity over the prior fiscal year.
- **Successful Hiring and Transition of a new CEO:** We successfully hired and transitioned to a new CEO in October 2023.

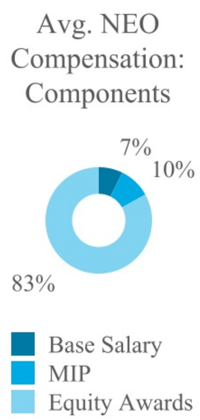
Summary of Compensation Program Elements

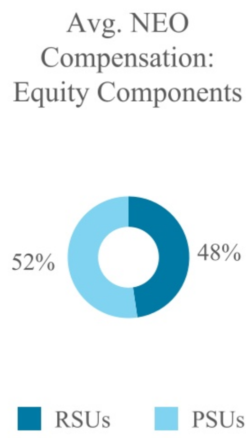
Our compensation program for our NEOs uses the following compensation elements:

Compensation Element	Purpose	What it Rewards
Base Salary	Attract, motivate, and retain top executive talent	Experience, skills, duties and responsibilities, and individual performance
Management Incentive Plan	Motivate our executives to achieve specific financial goals	Individual and company-wide performance
Equity Awards	Aligns long-term objectives with those of stockholders; motivates long-term financial performance; and promotes retention	Long-term financial performance

The below graphs[1] illustrate the percentage of our NEO's average compensation[2] in 2023 that we consider at-risk compensation as well as the components of compensation:







[1]The graphs above do not include compensation paid to Mr. Collins due to his start date.
[2]Equity components of compensation represent grant date fair value as determined in accordance with ASC Topic 718. For a discussion of the relevant assumptions used to determine the valuation for financial reporting purposes, refer to Note A and Note K to the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Policies and Practices

To promote the objectives discussed above, we maintained the following policies and practices in 2023:

We do...

- Complete an annual compensation risk assessment.
- Engage an independent compensation consultant, Compensia, to provide the Committee with market data and guidance on best practices.
- Offer a significant portion of executive compensation that is performance-based, including equity, to align the interests of our NEOs and our stockholders.
- Conduct an annual say-on-pay vote.
- Provide PSUs that are subject to performance-based and time-based vesting.
- Require double-trigger vesting of equity in the event of a change in control.
- Maintain robust stock ownership guidelines.
- Maintain a required incentive recoupment (i.e., clawback) policy and a supplemental clawback policy.

We do not...

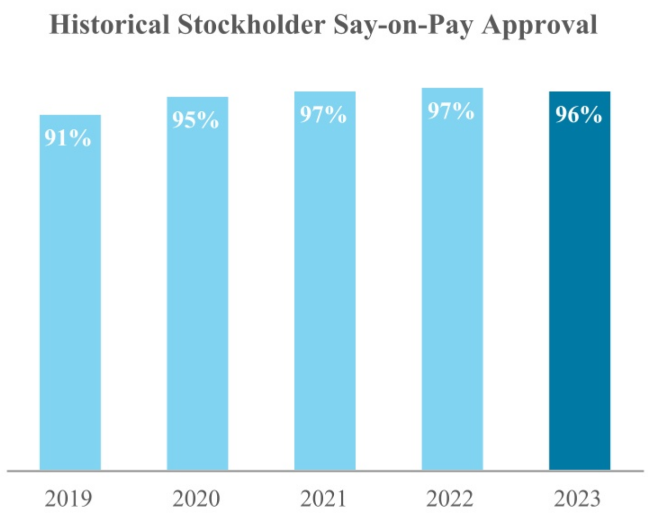
- Pay any tax gross-ups on payments made to our NEOs in connection with a severance or change in control event.
- Allow employees, including executives and directors, to engage in transactions involving short sales, publicly traded options or other derivative securities, hedging or pledging of Company stock.
- Provide perquisites or other personal benefits to our NEOs beyond what is provided to our other employees.
- Allow single-trigger vesting of our NEO's equity.

See *"Other Compensation Policies"* on pages 37-38 for more detailed information on certain of our compensation policies and practices.

Strong Say-on-Pay Support

96%
2023 Say-on-Pay Approval

Our Committee regularly considers the results of the stockholders' advisory vote on the compensation of our NEOs. The Committee considered the results of the say-on-pay vote when evaluating our compensation practices and policies and when setting the compensation of our NEOs for 2023 and determined that our compensation program was well aligned and properly supporting stockholders. The Committee believes that the significant support for the prior year say-on-pay proposal, and historical support as shown below, demonstrates stockholders' strong support of our compensation program, policies, and practices.



Compensation Objectives

We set the compensation of our NEOs based on their ability to create sustainable long-term stockholder value in a cost-effective manner. Our executive compensation philosophy is to align executive compensation decisions with our desired business direction, strategy, and performance. The primary objectives of our executive compensation program are the following:

- **Pay for Performance:** Emphasize performance-based compensation, primarily PSUs and cash bonuses, that are tied to our financial and stock price performance in an effort to generate and reward superior individual and collective performance;

- **Stockholder Alignment:** Link our NEO's incentive goals with the interests of our stockholders by providing equity-based compensation and establishing stock ownership guidelines for NEOs;

- **Long-Term Success:** Support and reward our NEOs for consistent performance over time and the achievement of our long-term strategic goals that align with the interests of our stockholders;

- **Attraction and Retention:** Attract and retain highly qualified executives whose abilities are critical to our success and competitive advantage; and

- **Promote Accountability and Discourage Excessive or Inappropriate Risk-Taking:** Discourage excessive risk-taking by maintaining stock ownership guidelines, anti-hedging prohibitions, and clawback policies. The Committee also engaged Compensia to complete an executive compensation risk assessment, which has determined that our compensation programs do not create inappropriate or excessive risk that is likely to have a material adverse effect on our Company.

To achieve these objectives, we have designed an executive compensation program that is significantly weighted towards long-term compensation. This approach aids us in the retention of executive officers and assures that the interests of our executive officers and stockholders are aligned. As previously mentioned, we provide compensation to our NEOs through a combination of base salary, incentive compensation, and equity awards (RSUs and PSUs under our 2010 Equity Incentive Plan).

While we have identified particular compensation objectives that each element of executive compensation serves, our compensation program is designed to be flexible and complementary and to collectively serve all of the executive compensation objectives described above. Accordingly, we believe that as a part of our overall executive compensation approach, each individual element, to a greater or lesser extent, serves each of our objectives.

Peer Group

Our Committee determines executive compensation, in part, by reference to market data for the executives of a peer group of comparable companies. This market data from our compensation peer group is valuable to the Committee because it provides insight into competitive pay practices for each of the elements of total direct compensation as well as confirms the reasonableness of its compensation decisions. The Committee, with the assistance of Compensia, reviews and approves our compensation peer group annually to ensure it reflects industry or economic changes and our selection criteria. Our current selection criteria include U.S.-based software companies with trailing four quarters revenue between 50% and 200% of our trailing four quarters revenue and with a market capitalization between 50% and 300% of our market capitalization at the time of review.

For purposes of 2023 compensation decisions, our Committee reviewed a formal compensation study and executive compensation market assessment prepared by Compensia in 2022, which included the following peer group companies:

Alteryx	PagerDuty
AppFolio	Paylocity Holding
Appian	Q2 Holdings
Asana	Qualys
Blackline	Rapid7
Fastly	SailPoint Technologies
Health Catalyst	Smartsheet
Jamf Holding	Varonis Systems
LivePerson	Workiva
nCino	Zuora

In comparison to the prior year peers, we replaced three companies. We removed 8x8 and PROS Holdings as those companies had market capitalization values below our comparison range and we also removed Talend as the company was acquired. We added Alteryx, AppFolio, Asana, Jamf Holding, and nCino because they met our selection criteria. We generally aim to have approximately 20 peer group members to ensure a proper level of data analysis.

Factors Considered in Compensation Deliberations

The Committee does not use a single method or measure in setting or approving the target total direct compensation opportunities for each individual compensation element for our NEOs, nor is the weighting of any one factor on the determination of pay elements and levels quantifiable in comparison to the other factors. The Committee begins with a review of the market data and then considers the factors below when selecting and setting the amount of each compensation element for our NEOs, which provides a framework for its compensation decision-making:

- Our executive compensation program objectives;
- Our performance against the financial and operational goals and objectives established by the Committee and our Board;
- Each NEO's qualifications, knowledge, skills, experience, and tenure relative to other similarly situated executives at the companies in our compensation peer group;
- The scope of each NEO’s role and responsibilities compared to other similarly-situated executives at the companies in our compensation peer group;
- The prior performance of each NEO, based on an assessment of their contributions to our overall performance, and ability to lead their business unit or function and drive company-wide strategy in collaboration with the entire executive team;
- The potential of each NEO to contribute to our long-term financial, operational, and strategic objectives;
- The CEO’s compensation relative to that of our other executive officers, and compensation parity among our executive officers;
- Our financial performance relative to our peers;
- The compensation practices of our compensation peer group and the positioning of each NEO’s compensation in a ranking of peer company compensation levels based on an analysis of competitive market data;
- In the case of long-term incentive compensation, the value of unvested equity awards held by each of our NEOs, including the equity awards and other long-term compensation opportunities granted to each executive officer in prior years; and
- The recommendations provided by our CEO regarding the compensation of our other NEOs, as described below.

These factors provide the framework for decision-making by the Committee with respect to the compensation of each of our NEOs.

Base Salary

Base salaries are used to recognize the experience, skills, knowledge, and responsibilities required of all our employees, including our NEOs. Initially at the time of their hire, base salaries for each of our NEOs were established based on arm’s-length negotiations between us and the executive and the other factors discussed below. Subsequently, our Committee reviews the base salaries of our NEOs annually at the beginning of each year. When negotiating or reviewing base salaries, the Committee considers market competitiveness based on experience, the executive’s expected future contribution to our success, the relative base salaries and responsibilities of our other executives, the executive's prior year performance, and the market data of similarly situated roles in our compensation peer group. Considering such factors, the Committee increased base salaries for Messrs. Black and Frome, and Ms. Nelson for fiscal year 2023, based on performance, experience, and market competitiveness. This represented the first base salary increase for these individuals since fiscal year 2021.

Name	2023 Base Salary ($)	2022 Base Salary ($)	Increase
Kimberly Nelson	400,000	385,000	4 %
James Frome	425,000	400,000	6 %
Archie Black	538,000	523,000	3 %

Management Incentive Plan

Our NEOs participate in our Management Incentive Plan, which provides them with an opportunity to receive a formula-based cash bonus. The bonus is intended to motivate our executives to achieve specific financial goals that will drive the growth and success of our business.

The formula-based bonus is determined by a target bonus opportunity (relative to the NEO's base salary) for each NEO established by the Committee at the beginning of each year. The Committee establishes the target bonus opportunity at an amount it believes is necessary to:

- provide competitive overall total cash compensation in light of each NEO's base salary;
- motivate our executives to achieve an aggressive level of growth; and
- promote our pay for performance compensation objective.

For 2023, target bonus opportunities for each of Messrs. Black and Frome remained the same as 2022. Ms. Nelson's percentage opportunity increased from 75% to 80% of base salary to remain competitive with the total cash compensation level for similar roles within the market data. The amount of the bonus, if any, actually paid to executives after the end of the year is determined by the matrix approved by the Committee. The matrix takes into account our revenues and earnings before interest, taxes, depreciation and amortization and stock-based compensation, and other adjustments (“Adjusted EBITDA”)[1].

The formula-based bonus is based in part on revenues because, given the scalability of our current core business, the Committee believes revenue growth has the most significant impact on our financial results. The Committee also believes the bonus should be based in part on Adjusted EBITDA, because Adjusted EBITDA is a useful measure of our operating performance without regard to items such as depreciation and amortization, which can vary depending upon accounting methods and the book value of assets.

The matrix approved for 2023 provided that each executive would receive a percentage of their target formula-based bonus, between zero and 195%, based on our actual revenues and Adjusted EBITDA performance for the year. In line with our pay-for-performance objective, if either the minimum revenue or Adjusted EBITDA threshold was not achieved, zero bonus would have been earned.

Per the Management Incentive Plan, the Committee has the ability to adjust the established thresholds for revenues and Adjusted EBITDA in the event we completed any acquisitions during the year to reflect the Company's operating performance. The Committee exercised such discretion for 2023 and adjusted thresholds for both revenue and Adjusted EBITDA based on the financial results of the TIE Kinetix Holding B.V. acquisition.

The Committee approved the matrix with the intent that achieving 100% of an executive’s target bonus will be a difficult but achievable goal in light of the prior year’s results of operations and anticipated growth for 2023. As a result of 2023 operating results, the formula-based bonus for Messrs. Black and Frome and Ms. Nelson was determined to be earned at 140% of the target amount, paid in 2024.

[1] *Adjusted EBITDA is a non-GAAP financial measure. Refer to Appendix A in this Proxy Statement for a reconciliation of this non-GAAP financial measure to the corresponding GAAP measure.*

See below for the summary of the incentive factor thresholds, actual results, and corresponding earned incentive for 2023:

Incentive Factors	Minimum Incentive Threshold [2]	Target Incentive Threshold	Maximum Incentive Threshold	Actual Results
Revenue	$ 524,100,000	$ 531,300,000	$ 539,400,000	$ 536,910,000
Adjusted EBITDA[1]	$ 153,800,000	$ 153,800,000	$ 162,800,000	$ 157,630,000

Name	Minimum Incentive[B]	Target Incentive	Maximum Incentive	Earned Incentive
Kimberly Nelson	$ 192,000	$ 320,000	$ 624,000	$ 448,000
James Frome	$ 255,000	$ 425,000	$ 828,750	$ 595,000
Archie Black	$ 322,800	$ 538,000	$ 1,049,100	$ 753,200
2023 Proportion of Target	60 %	100 %	195 %	140 %

(1) Adjusted EBITDA is a non-GAAP financial measure. Refer to Appendix A in this Proxy Statement for a reconciliation of this non-GAAP financial measure to the corresponding GAAP measure.
(2) If either the minimum revenue or Adjusted EBITDA threshold was not achieved, zero bonus would have been earned.

Equity Awards

The equity awards granted to our NEOs reflect the pay levels our Committee believes are appropriate relative to the market data, each executive’s individual performance, and maintaining an overall competitive compensation package. We believe equity awards are an important element of compensation because they align our NEOs' interests with those of our shareholders. Equity awards make up a significant portion of our NEOs' total compensation package and we anticipate that equity compensation will remain a significant part of our executive compensation program in the future. Our equity awards will continue to be granted on an annual basis to ensure a continued unvested equity component remains as a long-term incentive for each of our executives. When determining the size of the equity award for our NEOs, our Committee considers the executive’s position and responsibilities, internal pay equity, competitive market data, CEO recommendations for the other NEOs, and the anticipated future contribution the executive will make to our growth and success.

The Committee increased the total value of the equity awards granted to Messrs. Black and Frome by 57% and 9%, respectively, and Ms. Nelson by 28% in 2023. The Committee believed these increases were necessary to ensure competitiveness with our compensation peer group considering significant increases in the market data. In addition, the Committee considered individual performance and continued strong financial performance of the Company when determining the equity award amounts. See below for the amount and mix of equity awards types granted to our NEOs.

RSUs Granted

Named Executive Officer	2023 NEO Grant Date Value	2023 NEO Grant Shares/Units (#)	2023 Equity Award Package Proportion
Kimberly Nelson	$ 1,644,942	10,911	48 %
James Frome	1,780,476	11,810	48 %
Archie Black	3,964,988	26,300	48 %
Average	**$ 2,463,469**	**16,340**	**48 %**

PSUs Granted

Named Executive Officer	2023 NEO Target Grant Date Value	2023 NEO Target Grant Shares/Units (#)	2023 Equity Award Package Proportion
Kimberly Nelson	$ 1,804,911	12,850	52 %
James Frome	1,953,658	13,909	52 %
Archie Black	4,350,608	30,974	52 %
Average	**$ 2,703,059**	**19,244**	**52 %**

RSUs

RSUs generally vest over four years and are intended to provide a strong retention component to the compensation program as they require the executives to maintain continuous employment with us in order for the awards to vest.

PSUs

PSUs are earned over a three-year performance period depending on the Company's performance during such performance period and the award recipient's continued employment. We believe PSUs further align our executives' interests with those of our stockholders because the executives only earn the PSUs if certain performance goals are achieved.

The PSUs granted in 2023 will be earned contingent upon successful attainment of predetermined TSR targets, relative to Russell 2000 companies (the "Index") over the course of the applicable performance period. PSUs vest in the quarter following the end of the performance period, upon the Committee's certification of the level of performance and number of PSUs earned. The Index was selected because it is a major, broad index of stocks of which we are a component and many members are similar in size to SPS. The three-year period was designed to provide a long-term performance period to align NEO compensation with long-term stockholder returns. The following table sets forth the TSR targets for PSUs granted to our NEOs in each of 2021, 2022, and 2023:

Company TSR as Compared to Index TSR	Percentage of Target PSUs Earned
Company TSR is more than 10% less than Index TSR	0%
Company TSR is 10% less than Index TSR	40% (threshold)
Company TSR is equal to Index TSR	80%
Company TSR is 5% greater than Index TSR	100% (target)
Company TSR is 30% greater than Index TSR	200% (maximum)

If the Company's TSR is greater than the Index TSR but is negative, the percentage of PSUs earned is capped at 100%. If the comparison of the Company's TSR against the Index TSR falls between the levels specified in the above table, the corresponding PSUs earned will be determined by a linear interpolation.

In early 2024, the Committee certified results for the 2021 – 2023 performance period for PSUs granted in 2021. Based on the Company's TSR achieved relative to the Index TSR, the maximum performance was achieved, the maximum number of PSUs were earned, and the earned PSUs vested in 2024. See below for the calculation of the earned PSUs.

	Performance Period: 2021 – 2023
Company TSR	83 %
Index TSR	1 %
Company TSR in Excess of Index TSR	82 %
Percent of Target PSUs Earned	(maximum) 200 %

The earned but unvested PSUs are included in the "Outstanding Equity Awards at Fiscal Year-End" Table.

The Role of the Committee, Consultants and NEOs in Determining Compensation

Historically and in 2023, the Committee has determined all elements of compensation for our NEOs. Generally, prior to making its compensation determinations, our CEO provides his review of our other NEOs to the Committee. Our Committee engages Compensia, a national independent compensation consultant, to help evaluate our compensation philosophy and practices and to provide guidance in administering our compensation program. Our Committee has determined that Compensia is independent, knowledgeable and has access to a wealth of data to inform the Committee's decisions. The services provided by Compensia do not raise any conflict of interests.

Other Compensation Policies

Stock Ownership Guidelines

Under our stock ownership guidelines, our NEOs are required to beneficially own the following shares of common stock relative to their annual base salary:

Position	Common Stock Ownership Requirement Relative to Base Salary
CEO	3x
Other NEOs	1x

A NEO has five years from the date they become subject to the ownership guidelines to achieve compliance with the guidelines. Until a NEO has achieved compliance with the ownership guidelines, the individual must retain 50% of the net shares acquired upon exercise, vesting or settlement of any equity award. The following shares will not be counted toward satisfaction of our ownership guidelines: (i) shares subject to a compensatory equity-based award of any kind that has not yet vested; and (ii) shares subject to a stock appreciation right, restricted stock unit, deferred stock unit or similar award that has not yet been exercised and is not in-the-money. Each of our NEOs was in compliance with our stock ownership guidelines as of March 22, 2024.

Insider Trading Policy - Hedging, Pledging and Other Restricted Transactions

Under our Insider Trading Policy, our officers, directors, and all other employees, are prohibited from engaging in the following transactions with respect to our securities:

- Purchasing our securities on margin, or otherwise pledging our securities;
- Short sales of our securities (selling securities not owned at the time of sale);
- Buying or selling put or call options or other derivative securities based on our securities;
- Purchasing any financial instruments (including prepaid variable forward contracts, equity swaps, zero cost collars and exchange funds) that are designed to hedge or offset any decrease in the market value of our securities; and
- Engaging in limit orders or other pre-arranged transactions that execute automatically, except for “same-day” limit orders and approved 10b5-1 plans.

In addition, our Insider Trading Policy restricts the periods during which our officers, directors and certain other employees can transact in our stock and includes other provisions and requirements related to their trading in out stock.

Clawback Policy

We previously maintained a clawback policy covering recovery of certain incentive compensation received by executive officers under certain circumstances. In light of the incentive compensation recovery rules and listing standards that were finalized in 2023, effective October 2, 2023, we adopted a revised clawback policy pursuant to, and in compliance with, Rule 10D-1 of the Securities and Exchange Act of 1934 (the "Exchange Act"), as amended, SEC regulations promulgated thereunder, and applicable Nasdaq listing standards (the "Required Clawback Policy"), as well as a supplemental clawback policy consistent with our prior clawback policy (the "Supplemental Clawback Policy").

The Required Clawback Policy applies to all incentive-based compensation, which is any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a financial reporting measure, received by officers of the Company, as defined under Rule 16a-1(f) of the Exchange Act ("executive officers"). The Required Clawback Policy provides that, in the event of an accounting restatement due to material noncompliance of the Company with any financial reporting requirement, the Committee will determine the amount of the erroneously awarded compensation, which is the excess of the amount of incentive-based compensation received by current and former executive officers during the three completed fiscal years immediately preceding the required restatement date over the amount of incentive-based compensation that otherwise would have been received had it been determined based on the restated amounts. The Company will provide each such executive officer with a written notice of such amount and a demand for repayment or return. If such repayment or return is not made within a reasonable time, the Recoupment Policy provides that the Company will recover the erroneously awarded compensation in a reasonable and prompt manner using any lawful method, subject to limited exceptions as permitted by Nasdaq listing standards.

The Supplemental Clawback Policy provides that if any senior vice president or above (including executive officers) of the Company is determined by the Committee to have engaged in misconduct resulting in either a violation of the law or of Company policy that has caused significant financial or reputational harm to the Company and either the individual committed the misconduct directly or failed in his or her responsibility to manage or monitor the applicable conduct or risks, then the Committee may determine to require recovery from such individual of any or all incentive compensation (which includes any annual or long-term incentive compensation, including equity-based compensation) that was awarded, vested or paid or is scheduled to be vested or paid during any fiscal year in which the misconduct occurred.

Other Compensation

Perquisites are not a material aspect of our executive compensation program. All of our full-time employees, including our NEOs, are eligible to participate in our 401(k) Plan and Employee Stock Purchase Plan ("ESPP"), subject to limitations established by law. In the 401(k) Plan, participants can contribute up to 80% of their compensation, subject to the limits established by law, and we match 50% of the participants' contribution up to the first 6% of pre-tax annual compensation. A portion of our match is in Company stock, which is purchased in the open market by our plan provider and immediately deposited into the participants' 401(k) account. Our ESPP allows participants to contribute up to 10% of their compensation, subject to limitation established by the law, to purchase common stock on an after-tax basis, at a price that is the lower of 85% of the fair market value of our common stock at the beginning or end of each stock purchase period.

Severance, Change in Control, and Retirement Benefits

We have entered into employment agreements with each of our NEOs that require us to provide certain payments and benefits to them in the event of specified events, including termination of employment, a change in control of the Company, and retirement, with certain conditions. Our employment agreements require double-trigger vesting of equity in the event of a change in control. We believe that these payments and benefits are necessary to attract and retain our executives to join our Company and that they are in the best interests of the Company and our stockholders as they ensure that because they help assure us that we will have the continued dedication and objectivity of our executives, notwithstanding the possibility or occurrence of a change in control or planned retirement. See further discussion on these agreements in the "Potential Payments Upon Termination, Retirement, or Change in Control" below.

Tax Implications

Under Section 162(m) of the Internal Revenue Code (the "Code"), compensation paid to our NEOs in excess of $1 million is not deductible. The Committee believes that stockholder interests are best served if its discretion and flexibility in structuring and awarding compensation is not restricted, even though some compensation awards result in non-deductible compensation expenses to the Company. Also, our Committee takes into account whether components of our compensation program may be subject to the penalty tax associated with Section 409A of the Code and aims to structure the elements of compensation to be compliant with or exempt from Section 409A to avoid such potential adverse tax consequences.

Accounting Implications

The Committee considers the impact of accounting treatment in developing and implementing our compensation programs, including the accounting treatment of amounts awarded or paid to our NEOs. We measure and recognize compensation expense in accordance with the corresponding accounting guidance, ASC 718, for stock-based payments, which requires that compensation expense relating to stock-based payment transactions be recognized in the financial statements based on the grant date fair value of the awards issued.

Compensation & Talent Committee Report

We have reviewed and discussed the Compensation Discussion and Analysis with management. We have recommended to the Board the inclusion of the Compensation Discussion and Analysis in the Company's definitive Proxy Statement and incorporated by reference in the Company's 2023 Annual Report on Form 10-K.

Compensation & Talent Committee of the Board of Directors of SPS Commerce, Inc.
Marty Reaume, *Chair*
Philip Soran
James Ramsey

2023 Summary Compensation Table*

The following table provides information regarding the compensation paid to and earned by our NEOs in 2023, 2022, and 2021:

Name and Principal Position	Year	Salary ($)	Bonus ($)[1]	Stock Awards ($)[2]	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)[3]	Total ($)
Chad Collins	2023	121,000	131,250	6,499,877	—	—	6,752,127
Chief Executive Officer[4]							
Kimberly Nelson	2023	400,000	—	3,449,853	448,000	9,900	4,307,753
Executive Vice President and	2022	385,000	—	2,588,439	245,438	9,150	3,228,027
Chief Financial Officer	2021	385,000	—	2,821,974	508,200	8,700	3,723,874
James Frome	2023	425,000	—	3,734,134	595,000	9,900	4,764,034
President and	2022	400,000	—	3,286,927	340,000	9,150	4,036,077
Chief Operating Officer	2021	400,000	—	2,821,974	704,000	8,700	3,934,674
Archie Black	2023	538,000	—	8,315,596	753,200	9,900	9,616,696
Former Chief Executive Officer[4]	2022	523,000	—	5,089,381	444,550	9,150	6,066,081
	2021	523,000	—	5,241,434	920,480	8,550	6,693,464

(1) Represents a cash bonus designed to attract Mr. Collins.
(2) Represents the grant date fair value of the stock awards granted during the year determined in accordance with ASC Topic 718. For a discussion of the relevant assumptions used to determine the valuation for our equity awards for financial reporting purposes, refer to Note A and Note K to the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023. The grant date fair value of the stock-based awards granted in 2023 are as follows:

Name	RSUs ($)	PSUs ($)[A]	Total ($)
Chad Collins	6,499,877	—	6,499,877
Kimberly Nelson	1,644,942	1,804,911	3,449,853
James Frome	1,780,476	1,953,658	3,734,134
Archie Black	3,964,988	4,350,608	8,315,596

{A} Represents the grant date fair value of PSUs granted in 2023 at the target level. The maximum value of PSUs granted in 2023 for each NEO, defined as maximum shares at grant date share price, is as follows:

Name	Maximum PSUs ($)
Kimberly Nelson	3,609,822
James Frome	3,907,316
Archie Black	8,701,216

(3) Represents the matching contributions under our 401(k) Plan.
(4) Effective October 2, 2023, Mr. Black retired as Chief Executive Officer and Mr. Collins was appointed our Chief Executive Officer.

* *See the "Compensation Discussion and Analysis" above for a description of our executive compensation criteria and decisions necessary for an understanding of the information disclosed in this table.*

2023 Grants of Plan-Based Awards Table

The following table sets forth certain information regarding grants of plan-based awards to our NEOs in 2023.

Name	Grant Date(1)	Approval Date(1)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Award: Number of Shares of Stock or Units (#)	Grant Date Fair Value of Stock Awards ($)(2)
			Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)		
Chad Collins										
RSU Award (3)	11/2/2023	7/3/2023	—	—	—	—	—	—	39,835	6,499,877
Kimberly Nelson										
Annual Cash Bonus (4)	—	12/1/2022	192,000	320,000	624,000	—	—	—	—	—
PSU Award (5)	1/3/2023	12/1/2022	—	—	—	5,140	12,850	25,700	—	1,804,911
RSU Award (6)	2/16/2023	12/1/2022	—	—	—	—	—	—	10,911	1,644,942
James Frome										
Annual Cash Bonus (4)	—	12/1/2022	255,000	425,000	828,750	—	—	—	—	—
PSU Award (5)	1/3/2023	12/1/2022	—	—	—	5,564	13,909	27,818	—	1,953,658
RSU Award (6)	2/16/2023	12/1/2022	—	—	—	—	—	—	11,810	1,780,476
Archie Black										
Annual Cash Bonus (4)	—	12/1/2022	322,800	538,000	1,049,100	—	—	—	—	—
PSU Award (5)	1/3/2023	12/1/2022	—	—	—	12,390	30,974	61,948	—	4,350,608
RSU Award (6)	2/16/2023	12/1/2022	—	—	—	—	—	—	26,300	3,964,988

(1) Granted under our 2010 Equity Incentive Plan.

(2) The grant date fair value was determined in accordance with ASC Topic 718. For a discussion of the relevant assumptions used to determine the valuation for financial reporting purposes, refer to Note A and Note K to the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

(3) Of these RSUs, 27,578 will vest as to one-fourth of such RSUs on the first anniversary of the grant date and the remaining RSUs will vest pro-rata over the following 36 consecutive months. The remaining 12,257 RSUs in this grant will vest as to half of such RSUs on the first anniversary of the date of grant with the remaining RSUs vesting pro-rata over the following 12 consecutive months.

(4) Amounts represent the range of annual cash incentives that could have been earned in 2023 under the 2023 Management Incentive Plan based on actual revenues and Adjusted EBITDA. The actual cash incentive bonus earned in 2023 is reported in the 2023 Summary Compensation Table.

(5) Amounts represent the number of PSUs that may be earned at threshold, target, and maximum levels. The PSUs will be paid out in shares of our common stock. The number of PSUs that the executive officer will receive will be determined at the conclusion of the 2023 – 2025 performance period and will be dependent upon the Company’s achievement of relative TSR targets. The current estimated earned level for the 2023 grants, based on the TSR targets from grant date through December 31, 2023, is 200%.

(6) The RSUs vest as to one-fourth of the RSUs on the first anniversary of the grant date, with the remaining RSUs vesting in series of 36 equal monthly installments each month thereafter.

Outstanding Equity Awards at Fiscal Year-End Table

The following table sets forth certain information regarding the outstanding equity awards held by our NEOs as of December 31, 2023. The stock option information included in the table reflects our two-for-one stock split effective August 22, 2019.

	Option Awards					Stock Awards				
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($/Sh)	Option Expiration Date	Grant Date	Number of Shares or Units of Stock that Have Not Vested (#)	Market Value of Shares or Units of Stock that Have Not Vested (#)(1)	Equity Incentive Plan Awards: Number of Unearned Shares or Units that Have Not Vested (#)	Equity Incentive Plan Awards: Market Value of Unearned Shares or Units that Have Not Vested ($)(1)
Chad Collins						11/2/2023 (3)	39,835	7,721,617	—	—
Kimberly Nelson	2/13/2018	3,000	—	27.34	2/13/2025	2/21/2020 (2)	601	116,498	—	—
						1/4/2021 (4)	—	—	22,924	4,443,588
						2/19/2021 (2)	3,397	658,474	—	—
						1/3/2022 (5)	—	—	18,580	3,601,547
						2/16/2022 (2)	5,352	1,037,432	—	—
						1/3/2023 (5)	—	—	25,700	4,981,688
						2/16/2023 (2)	10,911	2,114,988	—	—
James Frome						2/21/2020 (2)	601	116,498	—	—
						1/4/2021 (4)	—	—	22,924	4,443,588
						2/19/2021 (2)	3,397	658,474	—	—
						1/3/2022 (5)	—	—	23,594	4,573,461
						2/16/2022 (2)	6,796	1,317,337	—	—
						1/3/2023 (5)	—	—	27,818	5,392,241
						2/16/2023 (2)	11,810	2,289,250	—	—
Archie Black						2/21/2020 (2)	1,123	217,682	—	—
						1/4/2021 (4)	—	—	42,578	8,253,320
						2/19/2021 (2)	6,310	1,223,130	—	—
						1/3/2022 (5)	—	—	36,532	7,081,363
						2/16/2022 (2)	10,523	2,039,778	—	—
						1/3/2023 (5)	—	—	61,948	12,008,000
						2/16/2023 (2)	26,300	5,097,992	—	—

(1) Market values are calculated using the year end closing sale price of a share of our common stock on the Nasdaq Global Market, which was $193.84.

(2) RSUs vest as to one-fourth of the RSUs on the first anniversary of the grant date, with the remaining RSUs vesting in series of 36 equal monthly installments each month thereafter.

(3) 27,578 of these RSUs will vest as to one-fourth of the RSUs on the first anniversary of the grant date and the remaining portion of such RSUs will vest pro-rata over the following 36 consecutive months. The remaining 12,257 of these RSUs will vest as to half of the RSUs on the first anniversary of the date of grant with the remaining portion of these RSUs vesting pro-rata over the following 12 consecutive months.

(4) PSUs granted in 2021 are reported at the earned number of units, the maximum amount, due to the attainment of the maximum TSR target over the completed performance period of 2021 - 2023, as discussed above under "Compensation Discussion and Analysis - Equity Awards". These earned PSUs vested in 2024.

(5) PSUs granted in 2022 and 2023 are earned in accordance with the successful attainment of predetermined TSR targets relative to the Index over a three-year performance period ending on December 31, 2024, and 2025, respectively, and vest in the year subsequent to the end of the performance period upon certification by the Compensation & Talent Committee. The PSUs granted in 2022 and 2023 are reported at the estimated earned levels based on the respective levels of TSR targets from grant date through December 31, 2023, which is 200% for both grants, as the applicable performance period has not concluded as of December 31, 2023.

2023 Options Exercised and Stock Vested Table

The following table sets forth certain information regarding stock option exercises and stock awards vested by our NEOs during 2023.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)(1)	Number of Shares Acquired on Vesting (#)(3)	Value Realized on Vesting ($)(2)(3)
Kimberly Nelson	77,212	9,703,581	40,346	5,805,989
James Frome	19,490	2,216,910	41,636	6,011,354
Archie Black	34,482	4,049,469	102,818	14,603,984

(1) Reflects the aggregate value realized on exercise by multiplying (a) the difference between (i) the market price of our common stock on the exercise date and (ii) the per share exercise price, by (b) the number of shares of our common stock acquired on exercise.

(2) Reflects the aggregate value realized by multiplying (a) the number of shares of our common stock vested by (b) the fair market value of our common stock of a share of our common stock on the vesting date.

(3) The stock awards that vested in 2023 were as follows:

	RSUs			PSUs	
Name	Number of Shares (#)	Value upon Vesting ($)	Value upon Settlement ($){A}	Number of Shares (#){B}	Value upon Vesting and Settlement ($){B}
Kimberly Nelson	11,512	1,868,706	1,731,079	28,834	3,937,283
James Frome	12,802	2,074,071	1,925,516	28,834	3,937,283
Archie Black	21,966	3,563,643	3,303,234	80,852	11,040,341

{A} Due to the Company's policy, RSUs that vest monthly throughout the year settle at a future date after vesting, equal to one share in payment and settlement of each vested unit.

{B} In 2023, the Committee certified results for the 2020 – 2022 performance period for PSUs granted in 2020. Based on Company TSR achieved relative to the Index TSR, the maximum threshold was achieved and the maximum shares vested in 2023. See below for the calculation of the earned PSUs.

Company TSR as Compared to Index TSR	Percentage of Target PSUs Earned
Company TSR is more than 10% less than Index TSR	0%
Company TSR is 10% less than Index TSR	40% (threshold)
Company TSR is equal to Index TSR	80%
Company TSR is 5% greater than Index TSR	100% (target)
Company TSR is 30% greater than Index TSR	200% (maximum)

Performance Period: 2020 – 2022	
Company TSR	134 %
Index TSR	8 %
Company TSR in excess of Index TSR	125 %
Percent of Target PSUs Earned	(maximum) 200 %

Pension Benefits

We do not offer pension benefits to our NEOs.

Non-Qualified Deferred Compensation

We do not offer non-qualified deferred compensation to our NEOs.

Employment Agreements

We have employment agreements with our NEOs that include severance and change in control components. Additionally, we have confidentiality and non-competition agreements with each of these executive officers requiring the executive officers not to disclose our confidential information at any time. The agreements also require the executive officers not to compete with us or solicit our employees to engage in other employment during the term of their employment with us and for one year thereafter.

The employment agreements with our NEOs address various termination of employment and change in control scenarios. Payment of amounts under these circumstances is subject to certain conditions and limitations, including that the executive officer must execute a release of claims against us. The terms of potential payments under these agreements upon a termination of employment or change in control are summarized below under “Potential Payments Upon Termination, Retirement, or Change in Control.”

Potential Payments Upon Termination, Retirement, or Change in Control

We have entered into various agreements that will require us to provide certain payments and benefits to our NEOs in the event of certain specified termination of employment, including a termination of employment in connection with a change in control of the Company. In the event of change of control, each NEO's employment agreement provides for double-trigger vesting of equity. All payments and benefits noted below are conditional upon the execution of release and continued compliance with confidentiality, non-competition, and non-solicitation agreements.

For these purposes, the following terms are defined:

- “Change in Control” includes (i) any person’s acquisition of beneficial ownership of 50% or more of our outstanding common stock; (ii) a failure to have a majority of our Board be people for whose election our Board solicited proxies; (iii) approval by our stockholders of a reorganization, merger or consolidation, unless our stockholders immediately prior to the transaction own more than 50% of the voting power of the corporation resulting from the transaction; or (iv) approval by our stockholders of the disposition of all or substantially all of our assets.
- “Change in Control Period” means the period starting three months immediately before a Change in Control and continuing for 12 months immediately following a Change in Control.
- “Cause” for termination exists upon (i) failure by the NEO to cure his or her material breach of the terms of a non-competition/non-solicitation agreement between us and the officer within 30 days of receipt of written notice of breach from us; (ii) gross negligence or willful misconduct by the officer; (iii) conviction of the officer of a crime involving moral turpitude or any felony; (iv) willful violation of instructions from our Board or Chief Executive Officer; or (v) fraud, embezzlement, theft or proven dishonesty against us.
- “Good Reason” is defined to mean the occurrence of any of the following events, in each case without the NEO's consent: (i) a reduction of 10% or more in Employee’s base salary or annual bonus opportunity, (ii) a material reduction in the NEO's employment responsibilities, including a reduction in title or the Company no longer a reporting company under the Securities Exchange Act of 1934, (iii) a material reduction in the executive officer’s employment responsibilities, or (iii) a relocation of the executive officer’s primary work location by more than 30 miles.

Termination without Cause or Resignation for Good Reason Outside of Change in Control Period

Mr. Black

The employment agreement with Mr. Black provides that if we terminate Mr. Black without Cause, or if he terminates his employment with us for Good Reason, we will pay or provide to him:

- 12 months of then-current base salary over a 12-month period in accordance with our regular payroll practices; and
- 12 months of continued payment of health insurance premiums.

Mr. Collins

The employment agreement with Mr. Collins provides that if we terminate Mr. Collins without Cause, or if he terminates his employment with us for Good Reason, we will pay or provide to him:

- 12 months of then-current base salary over a 12-month period in accordance with our regular payroll practices;
- 100% of his target annual cash incentive bonus for the year during which the termination date occurs, payable in a lump sum; and
- an amount equal to the premium costs for health, dental and vision coverage that the Company paid per month, multiplied by 12, payable in a lump sum.

Other NEOs

The employment agreements with Mr. Frome and Ms. Nelson provide that if we terminate the NEO's employment without Cause, we will pay or provide to the NEO:

- 12 months of then-current base salary over a 12-month period in accordance with our normal payroll practices;
- a lump-sum payment equal to 100% of his or her target annual cash incentive bonus for the fiscal year in which the termination of employment occurs (payable in a lump sum no later than 60 calendar days after the date of termination); and
- 12 months of continued payment of health insurance premiums.

If the NEO resigns for Good Reason, we will pay the NEO:

- six months of then-current base salary over a six-month period in accordance with our normal payroll practices;
- a lump-sum payment equal to 50% of his or her target annual cash incentive bonus for the fiscal year in which the termination of employment occurs (payable in a lump sum no later than 60 calendar days after the date of termination); and
- six months of continued payment of health insurance premiums.

Termination without Cause or Resignation for Good Reason Inside of Change in Control Period

Mr. Black

The employment agreement with Mr. Black provides that if we terminate Mr. Black without Cause, or if he resigns from employment with us for Good Reason, in either case within the Change in Control Period, we will pay or provide to him:

- 18 months of then-current base salary, payable in a lump sum;
- a pro-rated portion of any target annual cash incentive bonus for the fiscal year in which the termination of employment occurs, payable in a lump sum;
- 18 months of continued payment of health insurance premiums; and
- full vesting (which for performance-based equity will be at the target level) of all non-vested and outstanding equity awards at the termination date, at the later of (a) his release become irrevocable or (b) the date of the Change in Control.

Mr. Collins

The employment agreement with Mr. Collins provides that if we terminate Mr. Collins without Cause, or if he resigns from employment with us for Good Reason, in either case within the Change in Control Period, we will pay or provide to him:

- 24 months of then-current base salary, payable in a lump sum;
- 100% of his target annual cash incentive bonus for the year during which the termination date occurs, payable in a lump sum;
- an amount equal to the premium costs for health, dental and vision coverage that the Company paid per month, multiplied by 24, payable in a lump sum); and
- full vesting (which for performance-based equity will be at the target level) of all non-vested and outstanding equity awards at the termination date, at the later of (a) the date his release becomes irrevocable, or (b) the date of the Change in Control.

Other NEOs

The employment agreements with Mr. Frome and Ms. Nelson provide that if we terminate the NEO's employment without Cause, or the NEO resigns from employment for Good Reason, in either case within the Change in Control Period, we will pay or provide to the NEO:

- 12 months of then-current base salary, payable in a lump sum;
- a lump-sum payment equal to 100% of his or her target annual cash incentive bonus for the fiscal year in which the termination of employment occurs, payable in a lump;
- 12 months of continued payment of health insurance premiums; and
- full vesting (which for performance-based equity will be at the target level) of all non-vested and outstanding equity awards at the termination date, at the later of (a) the date his or her release becomes irrevocable, or (b) the date of the Change in Control.

Retirement

Mr. Black

The retirement provisions in Mr. Black's employment agreement, as amended on March 1, 2023, provide that if (a) the sum of Mr. Black's age plus years of service as an employee of the Company is 78 or greater; (b) Mr. Black provides no less than six months' written notice regarding retirement; (c) Mr. Black continues to provide full-time services for the Company (i) materially consistent with the full-time responsibilities and services performed by Mr. Black prior to the date on which Mr. Black provides written notice of his retirement from employment with the Company to the Chair of the Board, or (ii) substantive services as the Executive Chair of the Company through his termination date; and (d) Mr. Black's termination date occurs on or after the retirement date identified by Mr. Black (and such termination date is no earlier than six months after the date on which Mr. Black provided written notice of his retirement (except that the Company in its sole discretion may designate a termination date that is after the date on which Mr. Black provides written notice of his retirement and prior to the retirement date identified by him)); then upon retirement, subject to certain conditions:

- all unvested equity awards with solely a service based vesting condition will become fully vested;
- all outstanding equity awards with a performance goal over a performance period vesting condition will continue to vest on each originally scheduled vesting date in an amount equal to the number of units subject to the awards that would otherwise have been determined to have been earned with continuous employment with the Company through the originally scheduled vesting dates; and
- Mr. Black shall receive a pro-rated portion of any target annual cash incentive bonus for the fiscal year in which the termination of employment occurs, payable in a lump sum.
- Due to Mr. Black's planned retirement upon the expiration of his term as a director at the 2024 Annual Meeting of Stockholders, he will receive the benefits under the retirement provisions of his employment agreement as described above (except that Mr. Black will not receive pro-rata cash incentive bonus payment as he did not receive an annual cash incentive opportunity in 2024).

Mr. Collins

The retirement provisions in Mr. Collins' employment agreement provide that if (a) Mr. Collins is at least 57 years old and has completed eight years of continuous service with the Company, or Mr. Collins is at least 63 years old (without regard to years of service); (b) Mr. Collins provides no less than six months' written notice regarding retirement; (c) Mr. Collins continues to provide full-time services for the Company (i) materially consistent with the full-time responsibilities and services performed by him prior to the date on which he provides written notice of his retirement, or (ii) such other substantive services as agreed between him and the Company through his termination date; and (d) Mr. Collins' termination date occurs on or after the retirement date identified by Mr. Collins (and such termination date is no earlier than six months after the date on which he provided written notice of his retirement (except that the Company in its sole discretion may designate a termination date that is after the date on which Mr. Collins provides written notice of his retirement and prior to the retirement date identified by him)); then upon retirement, subject to certain conditions:

- all unvested equity awards with solely a service based vesting condition will become fully vested;
- all outstanding equity awards with a performance goal over a performance period vesting condition will continue to vest on each originally scheduled vesting date in an amount equal to the number of units subject to the awards that would otherwise have been determined to have been earned with continuous employment with the Company through the originally scheduled vesting dates; and
- if the Company designates a termination date that is after the date on which Mr. Collins provided written notice of his retirement and prior to the retirement date identified by him, and the termination date is prior to the six-month anniversary of the date on which Mr. Collins provided written notice of his retirement, then in addition to the accelerated or continued vesting of equity awards, the Company shall pay Mr. Collins severance pay equal to: (i) the amount of base salary he would have received from the termination date through the six month anniversary of the date on which he provided written notice of his retirement; plus (ii) an amount equal to the premium costs for health, dental and vision coverage that the Company paid during the last full month of his employment multiplied by the number of complete months remaining between the termination and such six-month anniversary, payable in a lump sum.

Other NEOs

The retirement provisions in Mr. Frome's and Ms. Nelson's employment agreements, as amended on March 1, 2023, provide that if (a) the sum of his or her age plus years of service as an employee of the Company is 78 or greater; (b) the NEO provides no less than six months' written notice regarding retirement; (c) the NEO continues to provide full-time services for the Company (i) materially consistent with the full-time responsibilities and services performed by the NEO prior to the date on which the NEO provides written notice of his or her retirement from employment with the Company, or (ii) such other substantive services as agreed between the Company and the NEO through the NEO's termination date; and (d) the NEO's termination date occurs on or after the retirement date identified by the NEO (and such termination date is no earlier than six months after the date on which the NEO provided written notice of his or her retirement (except that the Company in its sole discretion may designate a termination date that is after the date on which the NEO provides written notice of his retirement and prior to the retirement date identified by the NEO)); then upon retirement, subject to certain conditions:

- all unvested equity awards with solely a service based vesting condition will become fully vested; and
- all outstanding equity awards with a performance goal over a performance period vesting condition will continue to vest on each originally scheduled vesting date in an amount equal to the number of units subject to the awards that would otherwise have been determined to have been earned with continuous employment with the Company through the originally scheduled vesting dates.

Change in Control without Termination or Resignation

Generally, option agreements and RSU agreements executed pursuant to our 2010 Equity Incentive Plan provide that in the event of a sale of all or substantially all of our assets or a merger, consolidation or share exchange involving our Company, the surviving or successor entity may continue, assume or replace some or all of the outstanding awards under the 2010 Equity Incentive Plan. If awards granted to any participant are not continued, assumed or replaced, the administrator may provide for the surrender of any outstanding award in exchange for payment to the holder of the amount of the consideration that would have been received in the event for the number of shares subject to the award less the aggregate exercise price (if any) of the award. In the event of a change in control (as defined in the 2010 Equity Incentive Plan) of the Company that does not involve a merger, consolidation, share exchange or sale of all or substantially all of our Company's assets, the plan administrator, in its discretion, may provide that any outstanding award will become fully vested and exercisable upon the change in control or that any outstanding award will be surrendered in exchange for payment to the holder of the amount of the consideration that would have been received in the change in control for the number of shares subject to the award less the aggregate exercise price (if any) of the award.

The PSU agreements executed pursuant to our 2010 Equity Incentive Plan provide that in the event a change in control of the Company occurs prior to the scheduled vesting date of a PSU award and the NEO continues serving until the date of the change in control, the applicable performance period will be truncated and will end as of the end of the Company's most recently completed fiscal quarter prior to the date of the change in control and the executive will be entitled to have vest as of the date of the change in control the number of PSUs that are determined to have been earned based on actual performance against the performance goal specified in the agreement over the truncated performance period. The PSU award agreements provide that the preceding determination of the number of PSUs to be paid out upon a change in control shall be deemed to satisfy any applicable change in control acceleration provisions contained in the executive officer's employment or severance agreements.

Potential Payments Schedule

The following table lists the potential payments and benefits upon a retirement, termination of employment, or change in control of the Company for our NEOs. The tables assume the triggering event for the payments or provision of benefits occurred on December 31, 2023, the last day of our last completed fiscal year. Amounts in the table for the acceleration of unvested stock options are calculated based on the number of shares of our common stock subject to accelerated stock options multiplied by the difference between the closing price for a share of our common stock on the Nasdaq Global Market on the last trading day of our last completed fiscal year, and the per share exercise price. The amounts in the table for the acceleration of RSUs and PSUs are determined by multiplying the number of accelerated units by the closing price for our common stock on December 29, 2023, the last trading day of 2023.

Because Mr. Black had not yet retired as of December 31, 2023, the following table sets forth the potential payments and benefits to him upon the circumstances set forth in the table. However, as previously disclosed, Mr. Black is not standing for re-election, and will retire, at the 2024 Annual Meeting of Stockholders, at which time he will receive the benefits under the retirement provisions of his employment agreement as described above.

	Retirement[4] ($)	Involuntary Termination Without Cause Outside of the Change in Control Period ($)	Resignation For Good Reason Outside of the Change in Control Period ($)	Involuntary Termination Without Cause or Resignation For Good Reason During the Change in Control Period ($)	Change in Control Without Award Continuance/ Assumption/Replacement (No Termination or Resignation) ($)
Chad Collins					
Salary/Bonus	—	1,050,000	1,050,000	1,575,000	—
Health Benefits [1]	—	9,105	9,105	18,210	—
Value of Accelerated RSUs	—	—	—	7,721,617	7,721,617
Value of Accelerated PSUs [2][3]	—	—	—	—	—
Total	—	1,059,105	1,059,105	9,314,827	7,721,617
Kimberly Nelson					
Salary/Bonus	—	720,000	360,000	720,000	—
Health Benefits [1]	—	13,657	6,829	13,657	—
Value of Accelerated RSUs	—	—	—	3,927,392	3,927,392
Value of Accelerated PSUs [2][3]	—	—	—	2,696,121	5,392,242
Total	—	733,657	366,829	7,357,170	9,319,634
James Frome					
Salary/Bonus	—	850,000	425,000	850,000	—
Health Benefits [1]	—	13,657	6,829	13,657	—
Value of Accelerated RSUs	4,381,559	—	—	4,381,559	4,381,559
Value of Accelerated PSUs [2][3]	4,443,588	—	—	2,221,794	4,443,588
Total	8,825,147	863,657	431,829	7,467,010	8,825,147
Archie Black					
Salary/Bonus [5]	538,000	538,000	538,000	1,345,000	—
Health Benefits [1]	—	12,542	12,542	18,813	—
Value of Accelerated RSUs	8,578,582	—	—	8,578,582	8,578,582
Value of Accelerated PSUs [2][3]	15,334,682	—	—	7,667,341	15,334,682
Total	24,451,264	550,542	550,542	17,609,736	23,913,264

(1) The amounts for health benefits were determined via employer paid health and dental benefits incurred in 2023 for the NEO.

(2) Upon retirement, outstanding PSUs will continue to vest on each originally scheduled vesting date in an amount equal to the number of units subject to the awards that would otherwise have been determined to have been earned if the grantee remained continuously employed by the Company through the originally scheduled vesting dates. Because these performance determinations cannot be made until after December 31, 2023, the amount included in the Retirement column reflects the value of estimated performance level at December 31, 2023.

(3) Upon a change in control, the PSU performance period for outstanding PSUs will be truncated and will end as of the end of the Company's most recently completed fiscal quarter prior to the date of change in control. Vesting will be as of the date of change in control and based on actual performance over the truncated performance period. The amount noted in the 'Change in Control Without Award Continuance/Assumption/Replacement (No Termination or Resignation)' column reflects the value of the outstanding PSUs based on an estimated performance level at December 31, 2023.

(4) NEOs (other than Mr. Collins) become retirement eligible when the sum of the executive officer's age plus years of service as an employee of the Company is 78. Mr. Collins becomes retirement eligible when Mr. Collins is at least 57 years old and has completed eight years of continuous service with the Company, or Mr. Collins is at least 63 years old (without regard to years of service). Each of our executive officer's age and years and service as of December 31, 2023 was as follows:

Name	Age	Years of Service	Total
Chad Collins	48	—	48
Kimberly Nelson	56	16	72
James Frome	59	23	82
Archie Black	61	25	86

(5) In connection with his retirement upon conclusion of our 2024 Annual Meeting of Stockholders, Mr. Black will not receive pro-rata cash incentive bonus payment as he did not receive an annual cash incentive opportunity in 2024.

CEO Pay Ratio

We are providing the following information about the annual compensation relationship between our median employee and our CEO for 2023:

- the median total compensation of all employees of our Company (other than our CEO) was $88,579; and
- the total compensation of Mr. Collins, our CEO for part of 2023, was $7,549,877.

Based on this information, the ratio of Mr. Collins' total compensation to the median employee's total compensation was 85:1. We believe this pay ratio to be a reasonable estimate, calculated in a manner consistent with Item 402(u) of Regulation S-K.

For 2023, we identified our median employee based on the total cash and equity compensation paid during 2023 to all 2,487 members of our workforce (including full-time, part-time and temporary employees as well as certain independent contractors), other than our CEO, who were employed on December 31, 2023. For purposes of determining the total cash and equity compensation of each employee, we included the contractual amount of annual base salary, the annual target bonus and commission cash incentives, and the grant date fair value of equity awards granted during 2023. We did not include any adjustments for the value of benefits provided.

Once we determined the median employee, we determined the median employee's total compensation for 2023 in the same manner that we determine the total compensation of our NEOs for purposes of the 2023 Summary Compensation Table.

For the purpose of the CEO pay ratio, we identified Mr. Collins as the CEO given he served in that role on December 31, 2023, the date we used to identify our median employee, as described above. We calculated the total compensation of Mr. Collins as his salary and cash bonus, as noted in the 2023 Summary Compensation Table, annualized, plus his equity compensation (which was not annualized as this would not have changed had he served in the role for the entire year).

Pay Versus Performance

The following table sets forth certain information regarding the compensation of our NEOs in comparison to different financial performance measures.

Year	Summary Compensation Table Total for PEO [1] ($)		Compensation Actually Paid to PEO [2] ($)		Average Summary Compensation Table Total for Non-PEO NEOs[1] ($)	Average Compensation Actually Paid to Non-PEO NEOs[2] ($)	Value of Initial Fixed $100 Investment Based On[3]		Net Income ($)	Company Selected Measure: Adjusted EBITDA[5] ($)
	Former PEO (Black)	Current PEO (Collins)	Former PEO (Black)	Current PEO (Collins)			Company TSR ($)	Peer Group TSR[4] ($)		
2023	9,616,696	6,752,127	26,705,325	7,973,866	4,535,894	16,538,822	350	221	65,824,000	157,630,000
2022	6,066,081	—	4,501,154	—	3,632,052	2,919,066	232	133	55,134,000	132,268,000
2021	6,693,464	—	14,052,465	—	3,829,274	7,227,613	257	207	44,597,000	107,015,000
2020	4,810,804	—	18,046,825	—	2,283,243	8,625,426	196	150	45,586,000	86,994,000

(1) Archie Black served as our PEO through October 2, 2023 and upon his retirement as CEO, Chad Collins served as our PEO. For all periods presented, Kimberly Nelson and James Frome served as our non-PEO NEOs.

(2) Compensation Actually Paid, as defined and in accordance with Item 402(v) of Regulation S-K, is calculated as noted in the table below. The amounts noted do not reflect the actual amount of compensation earned by or paid to the individuals in the applicable year. The fair values and changes in fair values were determined in accordance with ASC Topic 718, consistent with the methods used for grant date fair valuation, exclusive of date of measurement. For a discussion of the relevant assumptions used to determine the value, refer to Note A and Note K to the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

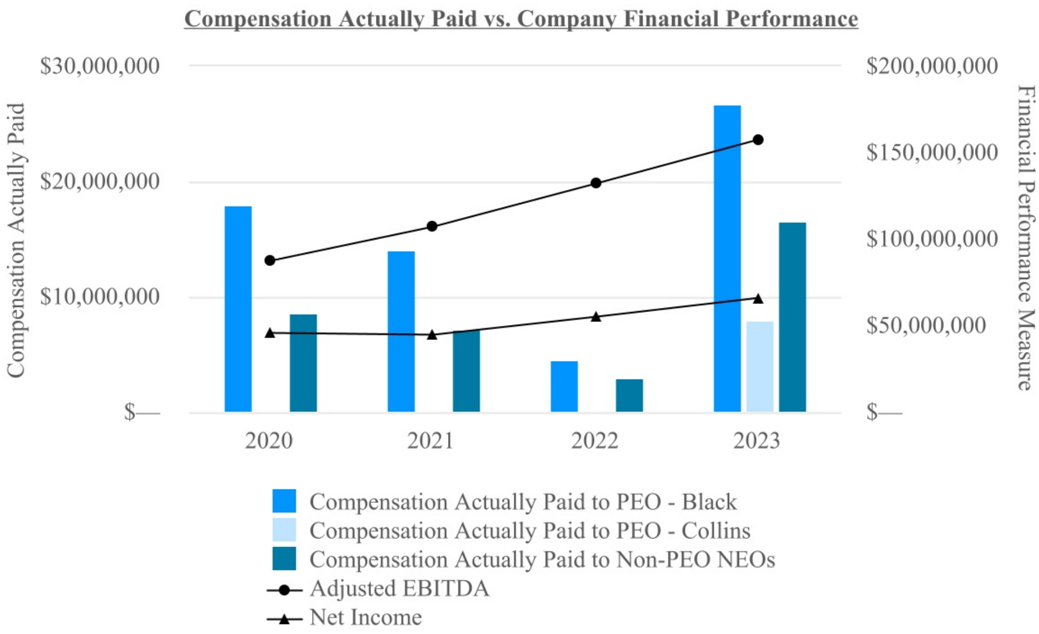
		Base	*Less*	*Plus*	*Plus or (Less)*	*Plus or (Less)*	*Total*
	Year	Summary Compensation Table - Total Compensation ($)	Grant Date Fair Value of Stock Awards and Option Awards Granted in Fiscal Year ($)	Fair Value at Fiscal Year-End of Outstanding and Unvested Stock Awards and Option Awards Granted in Fiscal Year ($)	Change in Fair Value of Outstanding and Unvested Stock Awards and Option Awards Granted in Prior Fiscal Years ($)	Change in Fair Value as of Vesting Date of Stock Awards and Option Awards Granted in Prior Fiscal Years For Which Applicable Vesting Conditions Were Satisfied During Fiscal Year ($)	Compensation Actually Paid ($)
Former PEO (Black)	2023	9,616,696	(8,315,596)	14,299,748	4,395,649	6,708,828	26,705,325
	2022	6,066,081	(5,089,381)	5,376,891	(835,723)	(1,016,714)	4,501,154
	2021	6,693,464	(5,241,434)	7,196,040	5,349,429	54,966	14,052,465
	2020	4,810,804	(3,892,234)	10,643,528	5,921,853	562,874	18,046,825
Current PEO (Collins)	2023	6,752,127	(6,499,877)	7,721,616	—	—	7,973,866
Non-PEO NEO Average	2023	4,535,894	(3,591,994)	10,151,683	4,752,143	691,096	16,538,822
	2022	3,632,052	(2,937,683)	3,103,639	(295,785)	(583,157)	2,919,066
	2021	3,829,274	(2,821,974)	3,874,330	2,301,858	44,125	7,227,613
	2020	2,283,243	(1,658,387)	4,317,603	3,379,146	303,821	8,625,426

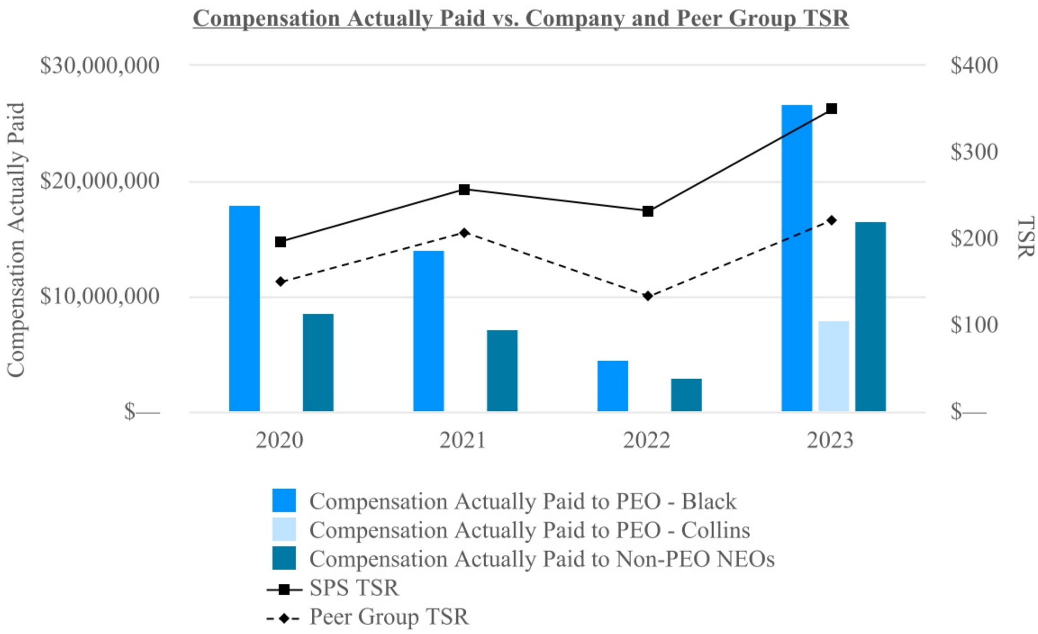
(3) TSR is the change from an original $100 investment at the close of market on December 31, 2019, and the value of the investment as of the last trading day of each respective year, assuming that dividends, if any, were reinvested. The comparison is based on historical data and are not intended to forecast or be indicative of future performance of our common stock.

(4) Our selected Peer Group is the Nasdaq Computer Index, an independently prepared market capitalization weighted index, and which is the same industry index used in our stock price performance graph in our Form 10-K for the fiscal year ended December 31, 2023.

(5) We consider our TSR our most important financial performance measure used to link compensation actually paid to our Company performance. As TSR is already disclosed, our next most important measure, Adjusted EBITDA, is selected. Adjusted EBITDA is a non-GAAP financial measure. Refer to Appendix A in this Proxy Statement for a reconciliation of this non-GAAP financial measure to the corresponding GAAP measure.

Compensation Actually Paid versus Financial Performance





Relationship Between Pay and Performance

We believe the Compensation Actually Paid in each of the years reported above and over the cumulative period are reflective of the Compensation & Talent Committee's emphasis on "pay-for-performance" as the Compensation Actually Paid fluctuated year-over-year, primarily due our stock price and varying levels of achievement against pre-established performance goals under our Management Incentive Plan and equity program, including our Adjusted EBITDA and TSR performance. Due to the leverage of our executive compensation program toward long-term incentives through grants of PSUs and RSUs, the Compensation Actually Paid is most significantly impacted by changes in our stock price over the vesting period of the awards. The Compensation Discussion and Analysis section of this Proxy Statement describes in greater detail the Compensation & Talent Committee's emphasis on "pay-for-performance" and how our executive compensation program is designed to link executive compensation with the achievement of our financial and strategic objectives as well as stockholder value creation.

Tabular List of Financial Performance Measures

The financial performance measures listed below are our unranked most important financial performance measures used to link PEO and non-PEO NEO Compensation Actually Paid to our Company performance.

TSR
Adjusted EBITDA[(1)]
Revenue

(1) Adjusted EBITDA is a non-GAAP financial measure. Refer to Appendix A in this Proxy Statement for a reconciliation of this non-GAAP financial measure to the corresponding GAAP measure.

AUDIT COMMITTEE REPORT AND PAYMENT OF FEES TO OUR INDEPENDENT AUDITOR

Audit Committee Report

The primary function of our Audit Committee is oversight of our accounting and financial reporting process, publicly filed financial reports, internal accounting and financial controls, and the independent audit of our consolidated financial statements. The consolidated financial statements of SPS Commerce, Inc. for the year ended December 31, 2023 were audited by KPMG, our independent auditor.

As part of its activities, the Audit Committee has:

1. Reviewed and discussed the Company's audited consolidated financial statements with management and the independent auditor;
2. Discussed with the independent auditor the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board ("PCAOB") and the SEC; and
3. Received the written disclosures and letter from the independent auditor required by applicable requirements of the PCAOB regarding the independent auditor's communications with the Audit Committee concerning independence and has discussed with the independent auditor the independent auditor's independence.

Management is responsible for the Company's system of internal controls and financial reporting process. KPMG is responsible for performing an independent audit of the consolidated financial statements and internal controls over financial reporting in accordance with the standards of the PCAOB and for issuing reports thereon. Our committee's responsibility is to monitor and oversee these processes. Based on the foregoing review and discussions and a review of the reports of KPMG with respect to the consolidated financial statements, and relying thereon, we have recommended to the Board the inclusion of the audited consolidated financial statements in SPS Commerce, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2023, for filing with the SEC.

Audit Committee of the Board of Directors of SPS Commerce, Inc.
Sven Wehrwein, *Chair*
Tami Reller
Anne Sempowski Ward

Auditor Fees

KPMG has served as our independent auditor since June 2013. The following table presents fees for professional audit services rendered by KPMG in the past two years.

	2023	2022
Audit Fees(1)	$ 937,000	$ 891,000
Audit-Related Fees(2)	—	6,000
Tax Fees(3)	428,000	223,000
Total	$ 1,365,000	$ 1,120,000

(1) Audit Fees consist of fees for the audit of our annual consolidated financial statements, the review of our interim consolidated financial statements, the review of financial information included in our filings with the SEC and other professional services provided in connection with statutory and regulatory filings or engagements.
(2) Audit-Related Fees consist of fees for the audit of our employee benefit plan. Fees incurred in 2022 were in regard to the transition to a new auditor as KPMG did not audit the employee plan for the 2022 period.
(3) Tax Fees consist of the aggregate fees for professional services rendered for transfer pricing, tax compliance, tax advice, and tax planning.

Auditor Services Pre-Approval Policy

The Audit Committee has adopted an auditor services pre-approval policy applicable to services performed for us by our independent auditor. In accordance with this policy, the Audit Committee's practice is to approve annually all audit, audit-related, and tax and other services to be provided by the independent auditor during the year. If a service to be provided is not pre-approved as part of the annual process or if it may exceed pre-approved fee levels, the service must receive a specific and separate pre-approval by the Audit Committee, which may delegate authority to grant such pre-approvals during the year to one or more independent members of the Audit Committee. Any pre-approvals granted pursuant to delegated authority must be reported to the Audit Committee at its next regular meeting.

Our Audit Committee has determined that the provision of the non-audit services described in the table above was compatible with maintaining the independence of our independent auditor. The Audit Committee reviews each non-audit service to be provided and assesses the impact of the service on the auditor's independence.

ITEM 2 – RATIFICATION OF SELECTION OF INDEPENDENT AUDITOR

The Audit Committee has selected KPMG to serve as our independent auditor for the year ending December 31, 2024. While it is not required to do so, our Board is submitting the selection of KPMG for ratification in order to ascertain the views of our stockholders with respect to the choice of audit firm. If the selection is not ratified, the Audit Committee will reconsider its selection. Representatives of KPMG are expected to be present at the 2024 Annual Meeting of Stockholders, will be available to answer stockholder questions, and will have the opportunity to make a statement if they desire to do so.

Item 2

The Board recommends that you vote FOR ratification of the selection of KPMG as the independent auditor of SPS Commerce, Inc. and our subsidiaries for the year ending December 31, 2024. Proxies will be voted FOR ratification of this selection unless otherwise specified.

ITEM 3 – ADVISORY VOTE TO APPROVE THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS

We are providing our stockholders the opportunity to cast an advisory (non-binding) vote to approve the compensation of our NEOs as disclosed in this Proxy Statement (a "Say-on-Pay" vote). As described in the Compensation Discussion and Analysis, we have designed the compensation arrangements for our NEOs to provide compensation in overall amounts and in forms that attract and retain talented and experienced individuals and motivate our executive officers to achieve the goals that are important to our growth. During 2023, our compensation primarily consisted of RSU awards and PSU awards, which help align the incentives of our NEOs with the interests of our stockholders, as well as annual cash incentive awards and base salary.

We ask our stockholders to cast an advisory vote on our executive compensation program at each annual meeting. As a result, we are presenting this proposal, which gives you, as a stockholder, the opportunity to endorse our executive compensation program by voting for or against the following resolution:

> *"RESOLVED, that the stockholders approve the compensation of the SPS Commerce, Inc. NEOs, as disclosed in the Compensation Discussion and Analysis, the compensation tables, and the related disclosure contained in our 2023 Proxy Statement."*

The Compensation & Talent Committee believes that the executive compensation for 2023 is reasonable and appropriate, is justified by our performance, and is the result of a carefully considered approach. In deciding how to vote on this proposal, the Board asks you to consider the key points with regard to our executive compensation program included in the Compensation Discussion and Analysis of this Proxy Statement.

Because your vote is advisory, it will not be binding on the Board or the Compensation & Talent Committee and will not overrule any decision by the Board or the Compensation & Talent Committee or require the Board or the Compensation & Talent Committee to take any action. However, the Board and the Compensation & Talent Committee will carefully review the voting results. To the extent there is any significant negative vote on this proposal, we may consult directly with stockholders to better understand the concerns that influenced the vote. The Board and the Compensation & Talent Committee consider constructive feedback obtained through this process in making future decisions about our executive compensation program. We currently hold our Say-on-Pay vote every year so the next advisory vote on the compensation of our NEOs will occur at our 2025 annual meeting of stockholders. The next advisory vote regarding the frequency of future Say-on-Pay votes will occur at our 2025 annual meeting of stockholders.

Item 3

The Board, upon recommendation of the Compensation & Talent Committee, recommends a vote "FOR" approval of the compensation of our NEOs. Proxies will be voted FOR this proposal unless otherwise specified.

ITEM 4 – APPROVAL OF AN AMENDMENT TO THE NINTH AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF SPS COMMERCE, INC. TO ALLOW FOR EXCULPATION OF OFFICERS

In August 2022, the State of Delaware, which is the Company's state of incorporation, enacted legislation that enables Delaware corporations to limit the personal liability of certain of their officers for monetary damages for breach of the duty of care in certain circumstances, as permitted under Section 102(b)(7) of the Delaware General Corporation Law (the "DGCL"). In light of this legislation, the Board has adopted, and recommends that stockholders approve, an amendment to the Company's Ninth Amended and Restated Certificate of Incorporation (the "Restated Certificate") to allow for exculpation of certain of the Company's officers to the extent permitted by Delaware law (the "Exculpation Amendment"). The full text of the Exculpation Amendment is attached as Appendix B to this Proxy Statement.

In accordance with the DGCL, the officers who would be covered by the Exculpation Amendment include any officer who, during the course of conduct alleged to be wrongful, (i) is or was the Company's president, chief executive officer, chief operating officer, chief financial officer, chief legal officer, controller, treasurer, or chief accounting officer; (ii) is or was identified in the Company's public filings with the SEC as one of the most highly compensated officers of the Company; or (iii) has, by written agreement with the Company, consented to being identified as an officer for purposes of accepting service of process.

The Exculpation Amendment is aligned with the narrow class and type of claims for which certain officers' liability can be exculpated under Section 102(b)(7) of the DGCL. Accordingly, the Exculpation Amendment would only permit exculpation for direct claims (as opposed to derivative claims made by stockholders on behalf of the Company) and would not apply to: (i) breaches of the duty of loyalty to the Company or its stockholders; (ii) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or (iii) any transaction in which the officer derived an improper personal benefit.

In considering whether to propose the Exculpation Amendment, the Board considered that the role of an officer (like the role of a director) often requires them to make time-sensitive decisions on critical matters that can create substantial risk of investigations, claims, actions, lawsuits, or proceedings seeking to impose liability on the basis of hindsight, especially in the current litigious environment and regardless of merit. The Board believes the proposed Exculpation Amendment better aligns the protections available to the Company's officers with those currently available to the Company's directors and would lower the risk of plaintiffs' lawyers adding officers to direct claims relating to breaches of the duty of care, which can lead to increased litigation and insurance costs.

In addition, the Board believes that the Exculpation Amendment would better position the Company to continue to attract and retain top executive talent by providing protection against the potential exposure to liabilities and costs of defense tied to such claims. For these reasons, and taking into account the narrow class of officers and the limits on the types of claims for which those officers' liability would be exculpated, the Board determined that approval of the Exculpation Amendment to allow for exculpation of certain of the Company's officers is advisable and in the best interests of the Company and its stockholders.

If the stockholders approve the Exculpation Amendment, it will become effective upon the filing of a Certificate of Amendment to the Restated Certificate (the "Certificate of Amendment") with the Delaware Secretary of State, which the Company anticipates doing immediately following stockholder approval. Other than the changes to the heading of Article 8 and the text of Section 8.1, the remainder of the Company's Restated Certificate will remain unchanged after effectiveness of the Certificate of Amendment. The complete text of the proposed Exculpation Amendment is attached as Appendix B to this Proxy Statement.

Item 4

The Board recommends a vote "FOR" approval of the amendment to our Ninth Amended and Restated Certificate of Incorporation. Proxies will be voted FOR this proposal unless otherwise specified.

SECURITY OWNERSHIP

Security Ownership of Certain Beneficial Owners and Management

The following table shows how many shares of our common stock were beneficially owned as of March 19, 2024 by each of the persons known by us to be beneficial owners of more than 5% of our common stock, our directors, the director nominees and the NEOs, and by all of our directors and executive officers as a group.

Name of Beneficial Owner(s)	Ownership of Common Stock		Number of Shares Deemed Beneficially Owned as a Result of Equity Awards Exercisable or Vesting Within 60 Days of the Record Date	Total Beneficial Ownership	Percentage of Outstanding Shares
Executive Officers and Directors:					
Archie Black	22,344	(1)	3,758	26,102	*
Chad Collins	14	(2)	—	14	*
James Frome	4,117	(3)	2,007	6,124	*
Kimberly Nelson	119,918	(4)	4,784	124,702	*
James Ramsey	14,263		23,413	37,676	*
Marty Reaume	7,383		16,846	24,229	*
Tami Reller	31,043		29,468	60,511	*
Philip Soran	18,387		23,416	41,803	*
Anne Sempowski Ward	2,359		11,811	14,170	*
Sven Wehrwein	12,095		6,578	18,673	*
All directors, director nominees, and executive officers as a group (10 persons)	231,923	(5)	122,081	354,004	1.0 %
Other beneficial owners:					
BlackRock, Inc.	5,795,765	(6)	—	5,795,765	15.6 %
The Vanguard Group	4,288,681	(7)	—	4,288,681	11.6 %

* Less than one percent

Persons have sole voting and investment power and the address for each director or officer listed in the table is c/SPS Commerce, Inc., 333 South Seventh Street, Suite 1000, Minneapolis, Minnesota 55402

Percentage ownership of our common stock in the table is based on 37,088,866 shares of our common stock issued and outstanding.

(1) Includes 1,969 shares owned by Mr. Black's sons, 18,127 shares held in Mr. Black's personal foundation, and 435 shares held in trust pursuant to our 401(k) plan.
(2) Includes 14 shares held in trust pursuant to our 401(k) plan.
(3) Includes 433 shares held in trust pursuant to our 401(k) plan.
(4) Includes 433 shares held in trust pursuant to our 401(k) plan.
(5) Includes the indirect holdings included in footnotes 1-4.
(6) The number of shares indicated is based on information reported to the SEC in a Schedule 13G/A filed by BlackRock, Inc. on January 22, 2024, and reflects beneficial ownership as of December 31, 2023. BlackRock, Inc. has sole voting power as to 5,742,911 shares and sole dispositive power as to 5,795,765 shares. The address for BlackRock, Inc. is 50 Hudson Yards, New York, NY 10001. Holdings includes various subsidiaries, only BlackRock Fund Advisors individually owning 5% or greater of our shares.

(7) The number of shares indicated is based on information reported to the SEC in a Schedule 13 G/A filed by The Vanguard Group on February 13, 2024, and reflects beneficial ownership as of December 29, 2023. The Vanguard Group has shared voting power as to 67,635 shares, sole dispositive power as to 4,181,973 shares and shared dispositive power as to 106,708 shares. The address for The Vanguard Group is 100 Vanguard Blvd., Malvern, Pennsylvania 19355. Holdings includes various subsidiaries, none of which individually own 5% or greater of our shares.

Equity Compensation Plan Information

The following table summarizes the number of shares of our common stock to be issued upon exercise of outstanding stock options and settlement of RSU, DSU and PSU awards granted under our equity plans as of December 31, 2023. The table also includes the weighted-average exercise price of outstanding stock options and the number of shares of our common stock remaining available for future issuance under the plans for all awards.

Plan Category	Number of shares to be issued upon exercise of outstanding options, warrants and rights		Weighted-average exercise price of outstanding options, warrants and rights		Number of shares remaining available for future issuance under equity compensation plans (excluding shares in first column)	
Equity compensation plans approved by stockholders[(1)]	1,335,031	(2)	$67.07	(3)	14,371,048	(4)
Equity compensation plans not approved by stockholders	None		N/A		None	

(1) Includes the 2010 Equity Incentive Plan and the Employee Stock Purchase Plan.

(2) Includes 346,822 shares subject to outstanding and unexercised stock options and 988,209 shares issuable in settlement of RSU, DSU, and PSU awards.

(3) The weighted average exercise price reflects only the outstanding stock options, as the other forms of awards disclosed in this note entail the issuance of shares for the payment of no consideration.

(4) Includes 1.7 million shares remaining available for future issuance under the Employee Stock Purchase Plan.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Transactions with Related Persons

Transactions or a series of similar transactions, to which we were a party or will be a party, are considered a related party transaction if:

- the amounts involved exceeded or will exceed $120,000; and
- any of our directors, executive officers, holders of more than 5% of our common stock or any member of their immediate family had or will have a direct or indirect material interest.

During 2023, we did not have any such related party transactions.

Director Indemnification Agreements

We entered into indemnification agreements with each of our directors that provide, in general, that we will indemnify them to the fullest extent permitted by law in connection with their service to us or on our behalf.

Policy for Approval of Related Person Transactions

The Board has adopted a written statement of policy regarding transactions with related persons, which we refer to as our related person policy. Our related person policy requires that any executive officer requesting to enter into a transaction with a "related person" generally must promptly disclose to our Audit Committee the related person transaction and all material facts with respect thereto. In reviewing a transaction, our Audit Committee will consider all relevant facts and circumstances, including (1) the commercial reasonableness of the terms, (2) the benefit and perceived benefits, or lack thereof, to us, (3) opportunity costs of alternate transactions and (4) the materiality and character of the related person's interest, and the actual or apparent conflict of interest of the related person. Our Audit Committee will not approve or ratify a related person transaction unless it determines that, upon consideration of all relevant information, the transaction is beneficial to our Company and stockholders and the terms of the transaction are fair to our Company. No related person transaction will be consummated without the approval or ratification of our Audit Committee. It is our policy that directors interested in a related person transaction will recuse themselves from any vote relating to a related person transaction in which they have an interest. Under our related person policy, a "related person" includes any of our directors, director nominees, executive officers, any beneficial owner of more than 5% of our common stock and any immediate family member of any of the foregoing. Related person transactions exempt from our policy include transactions available to all of our employees and stockholders on the same terms and transactions between us and the related person that, when aggregated with the amount of all other transactions between us and the related person or its affiliates, involve less than $120,000 in a fiscal year.

OTHER INFORMATION

Delinquent Section 16(a) Reports

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers and directors, and persons who beneficially own more than 10% of our common stock, to file initial reports of ownership of our securities and reports of changes in ownership with the SEC. Based on a review of Forms 3, 4 and 5 and on written representations from our executive officers and directors, we believe that all of our executive officers and directors complied with all Section 16(a) filing requirements during 2023.

Stockholder Proposals for the 2025 Annual Meeting of Stockholders

In order for a stockholder proposal to be considered for inclusion in our Proxy Statement for the 2025 Annual Meeting of Stockholders, the written proposal must be received at our principal executive offices on or before December 5, 2024. The proposal should be addressed to the Company at the address listed below and must comply with SEC regulations regarding the inclusion of stockholder proposals in Company-sponsored proxy materials.

SPS Commerce, Inc.
Attn: Secretary
333 South Seventh Street, Suite 1000
Minneapolis, Minnesota 55402

In accordance with our bylaws, in order to be properly brought before the 2025 Annual Meeting of Stockholders, a stockholder's notice of the matter the stockholder wishes to present must be delivered to our principal executive offices in Minneapolis, Minnesota, at the address identified in the preceding paragraph, not less than 90 nor more than 120 days prior to the first anniversary of the date of this year's annual meeting of stockholders. As a result, any notice given by or on behalf of a stockholder pursuant to these provisions of our bylaws (and not pursuant to Rule 14a-8 of the SEC) must be received no earlier than January 16, 2025, and no later than February 15, 2025.

In addition to satisfying the foregoing requirements, in order to comply with the universal proxy rules, a stockholder who intends to solicit proxies in support of director nominees for election at the 2025 Annual Meeting of Stockholders, other than the Company's nominees, must provide notice that sets forth the information required by Rule 14a-19 under the Exchange Act no later than March 17, 2025. If the date of the 2025 annual meeting of stockholders is more than 30 days before or after the first anniversary of the 2024 Annual Meeting of Stockholders, then such notice must be provided by the later of the 60th day prior to the date of such meeting or the 10th day following the day on which public announcement of the date of such meeting is first made.

All notices related to proposals and nominations must also comply with the requirements of applicable law and the provisions set forth in our bylaws.

Householding of Proxy Materials

Some banks, brokers, and other nominee record holders may be participating in the practice of “householding” proxy statements and annual reports. This means that only one copy of the Notice, Proxy Statement, and Annual Report, as applicable, is being delivered to multiple stockholders sharing an address unless we have received contrary instructions. We will promptly deliver a separate copy of any of these documents to you if you write to the Company at the address listed above or call us at (612) 435-9400.

If you want to receive separate copies of the Notice, Proxy Statement, or Annual Report in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker, or other nominee record holder, or you may contact us at the above address or telephone number.

Other Matters

We do not know of any other matters that may be presented for consideration at the 2024 Annual Meeting of Stockholders. If any other business does properly come before the 2024 Annual Meeting of Stockholders, the persons named as proxies above will vote as they deem in the best interests of SPS Commerce, Inc.

Chad Collins
Chief Executive Officer

Dated: April 4, 2024

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

We disclose Adjusted EBITDA, which is a non-GAAP financial measure. We believe that this non-GAAP financial measure provides useful information to our management, Board, and investors regarding certain financial and business trends relating to our financial condition and results of operations.To supplement our consolidated financial statements, we provide investors with Adjusted EBITDA, Adjusted EBITDA Margin, and non-GAAP income per share, all of which are non-GAAP financial measures. We believe that these non-GAAP financial measures provide useful information to our management, Board of Directors, and investors regarding certain financial and business trends relating to our financial condition and results of operations.

Adjusted EBITDA

Adjusted EBITDA, which is a non-GAAP measure of financial performance, consists of net income adjusted for income tax expense, depreciation and amortization expense, stock-based compensation expense, realized gain or loss from foreign currency on cash and investments held, investment income or loss, and other adjustments as necessary for a fair presentation.

For the year ended December 31, 2023, other adjustments included the expense impacts from acquisition-related employee severance costs and disposals of certain capitalized internally developed software. For the year ended December 31, 2021, other adjustments included disposals of cloud hosting arrangement implementation costs and accelerated tenant improvement benefit, which was incurred as part of executing a lease agreement. This tenant improvement adjustment was partially offset by accelerated depreciation, which is included within Depreciation and amortization of property and equipment and was also incurred as part of executing a lease agreement. For the year ended December 31, 2020, other adjustments included disposals of certain capitalized internally developed software and cloud hosting arrangement implementation costs in addition to an earn-out liability fair value adjustment.

The following table provides a reconciliation of net income, the most directly comparable GAAP measure, to Adjusted EBITDA:

	Year Ended December 31,			
(in thousands)	**2023**	**2022**	**2021**	**2020**
Net income	$ 65,824	$ 55,134	$ 44,597	$ 45,586
Income tax expense	19,739	16,190	8,944	7,094
Depreciation and amortization of property and equipment	18,631	16,421	14,788	13,127
Amortization of intangible assets	16,116	11,768	10,126	5,538
Stock-based compensation expense	45,508	33,399	27,574	18,936
Realized (gain) loss from foreign currency on cash and investments held	(1,726)	1,026	1,456	(1,753)
Investment income	(7,660)	(1,670)	(278)	(1,208)
Other	1,198	—	(192)	(326)
Adjusted EBITDA	$ 157,630	$ 132,268	$ 107,015	$ 86,994

PROPOSED AMENDMENT TO THE NINTH AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF SPS COMMERCE, INC.

Text of the proposed amendment (additions are indicated by underlining):

ARTICLE 8
DIRECTOR AND OFFICER LIABILITY; INDEMNIFICATION AND INSURANCE

8.1 ELIMINATION OF CERTAIN LIABILITY OF DIRECTORS AND OFFICERS. The personal liability of the directors and officers of the Corporation shall be eliminated to the fullest extent permitted by law. No amendment, modification or repeal of this Article, adoption of any provision in this Certificate of Incorporation, or change in the law or interpretation of the law shall adversely affect any right or protection of a director or officer of the Corporation under this Article 8 with respect to any act or omission that occurred prior to the time of such amendment, modification, repeal, adoption or change.

SPS COMMERCE

SPS COMMERCE, INC.
333 SOUTH SEVENTH STREET
SUITE 1000
MINNEAPOLIS, MN 55402

SCAN TO
VIEW MATERIALS & VOTE

VOTE BY INTERNET
Before The Meeting - Go to **www.proxyvote.com or scan the QR Barcode above**

Use the Internet to transmit your voting instructions and for electronic delivery of information. Vote by 11:59 p.m. ET on May 15, 2024 for shares held directly and by 11:59 p.m. ET on May 13, 2024 for shares held in the Plan. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

During The Meeting - Go to **www.virtualshareholdermeeting.com/SPSC2024**

You may attend the meeting via the Internet and vote during the meeting. Have the information that is printed in the box marked by the arrow available and follow the instructions.

VOTE BY PHONE - 1-800-690-6903
Use any touch-tone telephone to transmit your voting instructions. Vote by 11:59 p.m. ET on May 15, 2024 for shares held directly and by 11:59 p.m. ET on May 13, 2024 for shares held in the Plan. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL
Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

V36625-P05568-Z86964

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

SPS COMMERCE, INC.

The Board of Directors recommends you vote FOR the following:

1. Election of Directors

Nominees:	**For**	**Against**	**Abstain**
1a. Chad Collins	☐	☐	☐
1b. James Ramsey	☐	☐	☐
1c. Marty Reaume	☐	☐	☐
1d. Tami Reller	☐	☐	☐
1e. Philip Soran	☐	☐	☐
1f. Anne Sempowski Ward	☐	☐	☐
1g. Sven Wehrwein	☐	☐	☐

The Board of Directors recommends you vote FOR proposals 2, 3 and 4.	**For**	**Against**	**Abstain**
2. Ratification of the selection of KPMG LLP as the independent auditor of SPS Commerce, Inc. for the fiscal year ending December 31, 2024.	☐	☐	☐
3. Advisory approval of the compensation of the named executive officers of SPS Commerce, Inc.	☐	☐	☐
4. Approval of an amendment to the Ninth Amended and Restated Certificate of the Incorporation of SPS Commerce, Inc. to allow for exculpation of officers as permitted by Delaware law.	☐	☐	☐

NOTE: Such other business as may properly come before the meeting or any adjournment thereof.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX] Date

Signature (Joint Owners) Date

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:
The Notice and Proxy Statement and Annual Report are available at www.proxyvote.com

V36626-P05568-Z86964

SPS COMMERCE, INC.
Annual Meeting of Stockholders
May 16, 2024 8:00 AM CT
This proxy is solicited by the Board of Directors

The stockholder(s) hereby appoint(s) Chad Collins and Kimberly Nelson, or either of them, as proxies, each with full power of substitution, and hereby authorize(s) them to represent and to vote, as designated on the reverse side, all of the shares of Common Stock of SPS Commerce, Inc., that the stockholder(s) is/are entitled to vote at the Annual Meeting of Stockholders to be held at 8:00 AM CT on May 16, 2024 via live webcast at www.virtualshareholdermeeting.com/SPSC2024, and any adjournment or postponement thereof.

This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations.

This proxy also serves to direct Fidelity Management Trust Company ("Fidelity"), as trustee of the SPS Commerce, Inc. 401(k) Retirement Savings Plan (the "Plan"), with respect to shares of Common Stock of SPS Commerce, Inc. held in participant accounts under the Plan. For any shares in the Plan for which Fidelity does not receive participant direction by 11:59 P.M. ET on May 13, 2024, Fidelity will not vote such shares.

Continued and to be signed on reverse side