Employee Stock Option (right to buy)

\$33.55

05/19/2020

**M**<sup>(1)</sup>

21,966

(6)

FORM 4

## UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

OMB APPROVAL 3235-0287 OMB Number: Estimated average burden

Check this box if no longer subject to Section 16. Form 4 or Form 5

|   | ions may contir<br>tion 1(b).   | nue. See                                   |                  | F                                       | iled pui                | rsuant  | to Se   | ction 16(        | a) of the                               | e Secu       | urities Exchan     | ae Act of  | 1934   |                                      |   | hours   | per res   | sponse:  | 0.5  |  |  |
|---|---|--|------------------|---|-------------------------|---|---|------------------|---|--------------|--------------------|--|--|--------------------------------------|---|---|---|--|--|--|--|
|   |   |  |                  |   | 0                       | r Secti   | on 30   | (h) of the       | Invest                                  | ment (       | Company Act        | of 1940  |  |                                      |   |   |   |  |  |  |  |
| Name and Address of Reporting Person*     Frome James J.                      |   |  |                  |   |                         | 2. Issuer Name and Ticker or Trading Symbol SPS COMMERCE INC [ SPSC ] |   |                  |   |              |                    |  |  | (Chec                                | k all applic<br>Directo                                     | •   |   | wner   |  |  |  |
| (Last)<br>333 SOU<br>SUITE 1  | TH SEVE   | (First) (Middle) EVENTH STREET             |                  |   |                         | 3. Date of Earliest Transaction (Month/Day/Year) 05/18/2020           |   |                  |   |              |                    |  |  | X                                    | below)  |   |   | below)   |  |  |  |
|   |   |  |                  |   | _ 4.                    | 4. If Amendment, Date of Original Filed (Month/Day/Year)              |   |                  |   |              |                    |  |  |                                      | 6. Individual or Joint/Group Filing (Check Applicable Line) |   |   |  |  |  |  |
| (Street) MINNE  | Street) MINNEAPOLIS MN 55402  |  |                  | _                                       |                         |   |   |                  |   |              |                    |  | X Form filed by One Reporting Person Form filed by More than One Report Person |                                      |   |   |   |  |  |  |  |
| (City)  | ty) (State) (Zip)   |  |                  |   |                         |   |   |                  |   |              |                    |  |  |                                      |   |   |   |  |  |  |  |
|   |   | Tak  | ole I - N        | Non-Der                                 | ivativ                  | re Se   | curi  | ties Ad          | cquire                                  | ed, D        | isposed c          | f, or B  | enefic   | cially                               | Owned   |   |   |  |  |  |  |
| 1. Title of Security (Instr. 3)   |   |  |                  | 2. Transaction<br>Date<br>(Month/Day/Ye |                         | Exed<br>if an   | 2A. Deemed<br>Execution Date,<br>if any<br>(Month/Day/Year) |                  | 3.<br>Transaction<br>Code (Instr.<br>8) |              |                    | Acquired (A) or<br>(D) (Instr. 3, 4 and  |  | Benefic                              |   | es<br>ally<br>Following   | 6. Ownership<br>Form: Direct<br>(D) or Indirect<br>(I) (Instr. 4) |  | 7. Nature<br>of Indirect<br>Beneficial<br>Ownership<br>(Instr. 4)  |  |  |
|   |   |  |                  |   |                         |   |   |                  | Code                                    | v            | Amount             | (A) or<br>(D)  | Price  |                                      | Transaction(s)<br>(Instr. 3 and 4)                          |   |   |  |  |  |  |
| Common Stock  |   |  |                  | 05/18/                                  |                         |   | M <sup>(1)</sup>  |                  | 800                                     | A            | \$32.98            |  | 43,  | 43,233                               |   | D   |   |  |  |  |  |
| Common Stock  |   |  | 05/18/2020       |   |                         |   | M <sup>(1)</sup>  |                  | 1,800                                   | A            | \$33.55            |  | 45,033   |                                      |   | D   |   |  |  |  |  |
| Common Stock  |   |  | 05/18/           | )                                       |                         | S <sup>(1)</sup>  |   | 2,600            | D                                       | \$60.1179(2) |                    | 42,  | 42,433   |                                      | D   |   |   |  |  |  |  |
| Common Stock  |   |  | 05/19/           | )                                       |                         | M <sup>(1)</sup>  |   | 11,246           | A                                       | \$32.98      |                    | 53,  | 53,679   |                                      | D   |   |   |  |  |  |  |
| Common Stock  |   |  | 05/19/           | )                                       |                         |   | M <sup>(1)</sup>  |                  | 21,966                                  | A            | \$33.55            |  | 75,  | 75,645                               |   | D   |   |  |  |  |  |
| Common Stock  |   |  | 05/19/           | )                                       |                         |   | M <sup>(1)</sup>  |                  | 30,049                                  | A            | \$24.04            |  | 105  | 5,694                                |   | D   |   |  |  |  |  |
| Common Stock  |   |  |                  | 05/19/                                  | )                       |   |   | S <sup>(1)</sup> |   | 63,261       | D                  | \$60.058 <sup>(3)</sup>  |  | 42,                                  | 2,433   |   | D   |  |  |  |  |
| Common Stock  |   |  | 05/20/           |   |                         | M <sup>(1)</sup>  |   | 4,159            | D                                       | \$24.04      |                    | 46   | 46,592   |                                      | D   |   |   |  |  |  |  |
| Common Stock  |   |  | 05/20/           | )                                       |                         |   | S <sup>(1)</sup>  |                  | 4,059                                   | D            | \$60.8907(4)       |  | 42,  | ,533                                 |   | D   |   |  |  |  |  |
| Common Stock  |   |  | 05/20/2020       |   | 20                      |   |   | S <sup>(1)</sup> |   | 100          | D                  | \$61.409 <sup>(5)</sup>  |  | 42,                                  | 42,433  |   | D   |  |  |  |  |
| Common Stock Common Stock   |   |  |                  |   |                         |   |   |                  |   |              |                    |  |  | 294.401                              |   |   | I   | By<br>401(k)<br>Plan   |  |  |  |
| Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned |   |  |                  |   |                         |   |   |                  |   |              |                    |  |  |                                      |   |   |   |  |  |  |  |
| (e.g., puts, calls, warrants, options, convertible securities)                |   |  |                  |   |                         |   |   |                  |   |              |                    |  |  |                                      |   |   |   |  |  |  |  |
| 1. Title of<br>Derivative<br>Security<br>(Instr. 3)                           | 2.<br>Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction<br>Date<br>(Month/Day/Year) | Execut<br>if any |   |                         | action<br>(Instr.   |   |                  | Expiration D<br>(Month/Day/             |              | ate                | 7. Title and Amo<br>of Securities<br>Underlying<br>Derivative Secu<br>(Instr. 3 and 4) |  | Derivative<br>Security<br>(Instr. 5) |   | 9. Number<br>derivative<br>Securities<br>Beneficial<br>Owned<br>Following<br>Reported<br>Transactio<br>(Instr. 4) | e<br>s<br>Illy  | 10.<br>Ownership<br>Form:<br>Direct (D)<br>or Indirect<br>(I) (Instr. 4) | 11. Nature<br>of Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |  |  |
|   |   |  |                  |   | Code                    | v   | (A)   | (D)              | Date<br>Exerc                           | cisable      | Expiration<br>Date | Title  | Amo<br>or<br>Num<br>of<br>Shar   | ber                                  |   |   |   |  |  |  |  |
| Employee<br>Stock<br>Option<br>(right to<br>buy)                              | \$32.98   | 05/18/2020                                 |                  |   | <b>M</b> <sup>(1)</sup> | <b>I</b> (1)  |   | 800              | (6)                                     |              | 02/10/2024         | Common<br>Stock  | n 800  |                                      | \$0.00  | 11,246  |   | D  |  |  |  |
| Employee<br>Stock<br>Option<br>(right to<br>buy)                              | \$33.55   | 05/18/2020                                 |                  |   |                         | 1,800   |   | (6)              |   | 02/09/2022   | Common<br>Stock    |  |  | \$0.00                               | 21,966  |   | D   |  |  |  |  |
| Employee<br>Stock<br>Option<br>(right to<br>buy)                              | \$32.98   | 05/19/2020                                 |                  |   | <b>M</b> <sup>(1)</sup> |   |   | 11,246           | (                                       | (6)          | 02/10/2024         | Common<br>Stock  | <sup>1</sup> 11,2  | 246                                  | \$0.00  | 0   |   | D  |  |  |  |

Common Stock

21,966

\$0.00

0

D

02/09/2022

| Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities) |   |  |   |   |   |     |        |  |                    |   |  |   |  |  |  |
|--|---|--|---|---|---|-----|--------|--|--------------------|---|--|---|--|--|--|
| 1. Title of<br>Derivative<br>Security<br>(Instr. 3)  | 2.<br>Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction<br>Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date,<br>if any<br>(Month/Day/Year) | 4.<br>Transaction<br>Code (Instr.<br>) 8) |   |     |        | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) |                    | 7. Title and Amount<br>of Securities<br>Underlying<br>Derivative Security<br>(Instr. 3 and 4) |  | 8. Price of<br>Derivative<br>Security<br>(Instr. 5) | 9. Number of<br>derivative<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 4) | 10.<br>Ownership<br>Form:<br>Direct (D)<br>or Indirect<br>(I) (Instr. 4) | 11. Nature<br>of Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|  |   |  |   | Code                                      | v | (A) | (D)    | Date<br>Exercisable  | Expiration<br>Date | Title   | Amount<br>or<br>Number<br>of<br>Shares |   |  |  |  |
| Employee<br>Stock<br>Option<br>(right to<br>buy)   | \$24.04   | 05/19/2020                                 |   | M <sup>(1)</sup>                          |   |     | 30,049 | (6)  | 02/04/2023         | Common<br>Stock   | 30,049                                 | \$0.00  | 21,263   | D  |  |
| Employee<br>Stock<br>Option<br>(right to<br>buy)   | \$24.04   | 05/20/2020                                 |   | M <sup>(1)</sup>                          |   |     | 4,159  | (6)  | 02/04/2023         | Common<br>Stock   | 4,159                                  | \$0.00  | 17,104   | D  |  |

## **Explanation of Responses:**

- 1. Stock option exercises and sales effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on February 27, 2019, and modified on March 4, 2020.
- 2. Reflects the weighted average price of 2,600 shares of Common Stock of the Issuer sold by the reporting person in multiple transactions on May 18, 2020 with sales prices ranging from \$60.01 to \$60.35 per share. The reporting person undertakes to provide upon request by the U.S. Securities and Exchange Commission staff, the issuer, or a security holder of the issuer, full information regarding the number of shares purchased or sold at each separate price.
- 3. Reflects the weighted average price of 63,261 shares of Common Stock of the Issuer sold by the reporting person in multiple transactions on May 19, 2020 with sales prices ranging from \$60.00 to \$60.45 per share. The reporting person undertakes to provide upon request by the U.S. Securities and Exchange Commission staff, the issuer, or a security holder of the issuer, full information regarding the number of shares purchased or sold at each separate price.
- 4. Reflects the weighted average price of 4,059 shares of Common Stock of the Issuer sold by the reporting person in multiple transactions on May 20, 2020 with sales prices ranging from \$60.34 to \$61.31 per share. The reporting person undertakes to provide upon request by the U.S. Securities and Exchange Commission staff, the issuer, or a security holder of the issuer, full information regarding the number of shares purchased or sold at each separate price.
- 5. Reflects the weighted average price of 100 shares of Common Stock of the Issuer sold by the reporting person in multiple transactions on May 20, 2020 with sales prices ranging from \$61.40 to \$61.42 per share. The reporting person undertakes to provide upon request by the U.S. Securities and Exchange Commission staff, the issuer, or a security holder of the issuer, full information regarding the number of shares purchased or sold at each separate price.

6. Fully vested.

## Remarks:

/s/ Jonathan R. Zimmerman, attorney-in-fact for James J. 05/20/2020 Frome

\*\* Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

- \* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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