
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

February 2, 2018

Date of report (Date of earliest event reported)

SPS COMMERCE, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State of Incorporation)

001-34702
(Commission File Number)

41-2015127
(I.R.S. Employer Identification No.)

333 South Seventh Street, Suite 1000
Minneapolis, MN
(Address of Principal Executive Offices)

55402
(Zip Code)

(612) 435-9400
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) On February 2, 2018, the Compensation Committee (“Committee”) of the Board of Directors of SPS Commerce, Inc. (the “Company”) approved a new form performance stock unit (“PSU”) award agreement to be used for PSU awards under the Company’s 2010 Equity Incentive Plan, as amended (the “Plan”). Under the terms of the Plan and the PSU award agreement, an award of PSUs is expressed in terms of a target number of PSUs, a percentage of which (ranging from 0% to a specified percentage) are capable of being earned and vested over a specified performance period depending on the Company’s performance during such performance period and the award recipient’s continued employment. The specific terms and conditions of PSU awards, including the performance measures utilized, will be determined by the Committee in accordance with the Plan. The form PSU award agreement approved by the Committee is attached as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference. A copy of the Plan was filed as Exhibit 10.6 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2014.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

10.1 [Form of Performance Stock Unit Agreement under the Company’s 2010 Equity Incentive Plan to be used for awards beginning in 2018.](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SPS COMMERCE, INC.

Date: February 7, 2018

By: /s/ KIMBERLY K. NELSON

Kimberly K. Nelson

Executive Vice President and Chief Financial Officer

**SPS COMMERCE, INC.
2010 EQUITY INCENTIVE PLAN**

Performance Stock Unit Agreement

SPS Commerce, Inc. (the "Company"), pursuant to its 2010 Equity Incentive Plan, as amended (the "Plan"), hereby grants to you, the Participant named below, an award of Performance Stock Units (the "PSUs"). The terms and conditions of this Performance Stock Unit Award (this "Award") are set forth in this Performance Stock Unit Agreement (the "Agreement"), consisting of this cover page, the Award Terms and Conditions on the following pages and the attached Exhibit A, and in the Plan document, a copy of which has been provided to you. To the extent any capitalized term used in this Agreement is not defined, it shall have the meaning assigned to it in the Plan as it currently exists or as it is amended in the future.

Name of Participant:	
Target Number of PSUs:	
Maximum Number of PSUs:	
Grant Date:	
Performance Period:	
Vesting Schedule:	The number of PSUs determined in accordance with <u>Exhibit A</u> to have been earned as of the end of the Performance Period will vest* on the date the Company's Compensation Committee certifies such performance results, which shall be no later than March 15, 20 .
Performance Goals:	See <u>Exhibit A</u>
* Assumes your Service has been continuous from the Grant Date to the vesting date.	

By signing or otherwise authenticating this cover page, you agree to all of the terms and conditions contained in this Agreement and in the Plan document. You acknowledge that you have received and reviewed these documents and that they set forth the entire agreement between you and the Company regarding this Award.

PARTICIPANT:

SPS COMMERCE, INC.

By: _____
Title: _____

SPS Commerce, Inc.
2010 Equity Incentive Plan, as amended
Performance Stock Unit Agreement

Award Terms and Conditions

1. **Award of Performance Stock Units.** The Company hereby confirms the grant to you, as of the Grant Date and subject to the terms and conditions of this Agreement and the Plan, of an award of Performance Stock Units in an amount initially equal to the Target Number of PSUs specified on the cover page of this Agreement. The number of PSUs that may actually be earned and become eligible to vest pursuant to this Award can be between % and % of the Target Number of PSUs, but may not under any circumstances exceed the Maximum Number of PSUs specified on the cover page of this Agreement. Each PSU that is earned as a result of the performance goals specified in Exhibit A to this Agreement having been satisfied and which thereafter vests represents the right to receive one Share of the Company's common stock. Prior to their settlement or forfeiture in accordance with the terms of this Agreement, the PSUs granted to you will be credited to an account in your name maintained by the Company. This account will be unfunded and maintained for book-keeping purposes only, with the PSUs simply representing an unfunded and unsecured contingent obligation of the Company.
2. **Restrictions Applicable to PSUs.** Neither this Award nor the PSUs subject to this Award may be sold, assigned, transferred, exchanged or encumbered, voluntarily or involuntarily, other than a transfer upon your death in accordance with your will, by the laws of descent and distribution or pursuant to a beneficiary designation submitted in accordance with Section 6(d) of the Plan. Following any such transfer, the PSUs shall continue to be subject to the same terms and conditions that were applicable to the PSUs immediately prior to their transfer. Any attempted transfer in violation of this Section 2 shall be void and ineffective. The PSUs and your right to receive Shares in settlement of any PSUs under this Agreement shall be subject to forfeiture except to the extent the PSUs have been earned and thereafter vest as provided in Sections 4 and 5.
3. **No Shareholder Rights.** The PSUs subject to this Award do not entitle you to any rights of a shareholder of the Company's common stock. You will not have any of the rights of a shareholder of the Company in connection with any PSUs granted or earned pursuant to this Agreement unless and until Shares are issued to you in settlement of earned and vested PSUs as provided in Section 6.
4. **Vesting and Forfeiture of PSUs.** The PSUs shall vest at the earliest of the following times and to the degree specified.
 - (a) *Scheduled Vesting.* The number of PSUs that have been earned during the Performance Period, as determined by the Committee in accordance with Exhibit A, will vest on the Scheduled Vesting Date, so long as your Service has been continuous from the Grant Date to the Scheduled Vesting Date. For these purposes, the "Scheduled Vesting Date" means the date the Committee certifies (i) the degree to which the performance goal for the Performance Period has been satisfied, and (ii) the number of PSUs that have been earned during the Performance Period as determined in accordance Exhibit A, which certification shall occur no later than March 15 of the calendar year immediately following the calendar year during which the Performance Period ended.
 - (b) *Change in Control.* If a Change in Control occurs after the Grant Date but before the Scheduled Vesting Date and your Service continues to the date of the Change in Control, then the 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. You 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 Exhibit A over the truncated Performance Period. You acknowledge and agree that with respect to any employment or severance agreement between you and the Company, the number of PSUs subject to accelerated vesting pursuant to this Section 4(b) shall conclusively be deemed 100% of the unvested PSUs subject to this Award.

(c) *Forfeiture of Unvested PSUs.* To the extent Sections 4(a) or 4(b) is applicable to this Award, any PSUs that do not vest on the applicable vesting date as provided therein shall immediately be forfeited. If your Service terminates prior to the Scheduled Vesting Date under circumstances other than as set forth in Section 4(b), all unvested PSUs shall immediately be forfeited.

5. **Settlement of PSUs.** As soon as practicable after any Vesting Date, but no later than 75 days thereafter, the Company shall cause to be issued to you (or your beneficiary or personal representative) one Share in payment and settlement of each vested PSU. Delivery of the Shares shall be effected by the issuance of a stock certificate to you, by an appropriate entry in the stock register maintained by the Company's transfer agent with a notice of issuance provided to you, or by the electronic delivery of the shares to a brokerage account you designate, and shall be subject to the tax withholding provisions of Section 6 and compliance with all applicable legal requirements, including compliance with the requirements of applicable federal and state securities laws, and shall be in complete satisfaction and settlement of such vested PSUs.

6. **Tax Consequences and Withholding.** As a condition precedent to the delivery of Shares in settlement of the PSUs, you are required to pay to the Company, in accordance with Section 14 of the Plan, the amount of any required domestic or foreign tax withholding obligations, including any social security or social insurance obligations ("Tax Withholding Obligations"). You hereby authorize the Company to withhold from payroll or other amounts payable to you any sums required to satisfy such Tax Withholding Obligations. Prior to the Vesting Date, you must make arrangements acceptable to the Company for payment of any Tax Withholding Obligations, which may include (i) delivering Shares you already own or having the Company retain a portion of the Shares that would otherwise be delivered to you, in either case with an aggregate Fair Market Value equal to the required amount of the Tax Withholding Obligations, or (ii) establishing a "10b5-1 Plan" pursuant to which a brokerage firm acceptable to the Company is authorized to sell on your behalf in the open market at the then prevailing market price(s) as soon as practicable on or after the Vesting Date the minimum whole number of Shares from the Shares issuable to you in settlement of the vested PSUs as is determined to be sufficient to generate cash proceeds adequate to satisfy such Tax Withholding Obligations.

7. **Discontinuance of Service.** This Agreement does not give you a right to continued Service with the Company or any Affiliate, and the Company or any such Affiliate may terminate your Service at any time and otherwise deal with you without regard to the effect it may have upon you under this Agreement. Nothing in this Agreement is intended to, or does, constitute a contract of employment between you and the Company or any Affiliate.

8. **Governing Plan Document.** This Agreement and the Award are subject to all the provisions of the Plan, and to all interpretations, rules and regulations which may, from time to time, be adopted and promulgated by the Committee pursuant to the Plan. If there is any conflict between the provisions of this Agreement and the Plan, the provisions of the Plan will govern.

9. **Choice of Law.** This Agreement will be interpreted and enforced under the laws of the state of Minnesota (without regard to its conflicts or choice of law principles).

10. **Binding Effect.** This Agreement will be binding in all respects on your heirs, representatives, successors and assigns, and on the successors and assigns of the Company.

11. **Severability.** If any term or provision in this Agreement shall be held to any extent to be unlawful, void or unenforceable under any enactment or rule of law, that term or provision shall, to that extent, be deemed not to be part of this Agreement and the validity and enforceability of the remainder of this Agreement shall not be affected.

12. **Section 409A of the Code.** The award of PSUs as provided in this Agreement and any issuance of Shares or payment pursuant to this Agreement are intended to be exempt from Section 409A of the Code under the short-term deferral exception specified in Treas. Reg. § 1.409A-1(b)(4).

13. **Compensation Recovery Policy.** To the extent that any compensation paid or payable pursuant to this Agreement is considered “incentive-based compensation” within the meaning and subject to the requirements of Section 10D of the Exchange Act, such compensation shall be subject to potential forfeiture or recovery by the Company in accordance with any compensation recovery policy adopted by the Board or any committee thereof in response to the requirements of Section 10D of the Exchange Act and any implementing rules and regulations thereunder adopted by the Securities and Exchange Commission or any national securities exchange on which the Company’s common stock is then listed. This Agreement may be unilaterally amended by the Company to comply with any such compensation recovery policy.

By signing or otherwise authenticating the cover page of this Agreement, you agree to all the terms and conditions described above and in the Plan document.