
**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**

November 25, 2022

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, Minnesota

(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))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common stock, par value \$0.001 per share	SPSC	The Nasdaq Stock Market LLC (Nasdaq Global Market)

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).

Emerging growth company

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 9.01. Financial Statements and Exhibits.

We are filing this Form 8-K to include certain of our revised forms of equity compensation agreements for grants made pursuant to our 2010 Equity Incentive Plan. The forms are filed herewith as exhibits 10.1-10.3.

(d) Exhibits

<u>Exhibit No.</u>	<u>Exhibit</u>
10.1	Form of Non-Statutory Stock Option Agreement (Employee) under 2010 Equity Incentive Plan
10.2	Form of Restricted Stock Unit Award Agreement under 2010 Equity Incentive Plan
10.3	Form of Performance Stock Unit Agreement under 2010 Equity Incentive Plan
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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: November 25, 2022

By: /s/ KIMBERLY NELSON

Kimberly Nelson

Executive Vice President and Chief Financial Officer

SPS COMMERCE, INC.

**Non-Statutory Stock Option Agreement
Under the 2010 Equity Incentive Plan (Employee)**

SPS Commerce, Inc. (the "Company"), pursuant to its 2010 Equity Incentive Plan (the "Plan"), hereby grants an Option to purchase shares of the Company's common stock to you, the Optionee named below. The terms and conditions of the Option Award are set forth in this Agreement, consisting of this cover page and the Option Terms and Conditions on the following pages, and in the Plan document which is attached.

Name of Optionee: **[]

No. of Shares Covered: **[]

Date of Grant: , 20

Exercise Price Per Share: \$**[]

Expiration Date: , 20

Vesting and Exercise Schedule:

Dates

Portion of Shares as to Which
Option Becomes Vested and Exercisable

By signing below, you agree to all of the terms and conditions contained in this Agreement and in the Plan document, a copy of which is attached. You acknowledge that you have reviewed these documents and that they set forth the entire agreement between you and the Company regarding your right to purchase shares of the Company's common stock pursuant to this Option.

OPTIONEE:

SPS COMMERCE, INC.

By:
Title:

**SPS Commerce, Inc.
2010 Equity Incentive Plan
Non-Statutory Stock Option Agreement**

Option Terms and Conditions*

1. **Non-Qualified Stock Option.** This Option is not intended to be an “incentive stock option” within the meaning of Section 422 of the Internal Revenue Code and will be interpreted accordingly.

2. **Vesting and Exercise Schedule.** This Option will vest and become exercisable as to the number of Shares and on the dates specified in the Vesting and Exercise Schedule on the cover page to this Agreement, so long as your Service to the Company does not end. The Vesting and Exercise Schedule is cumulative, meaning that to the extent the Option has not already been exercised and has not expired, terminated or been cancelled, you or the person otherwise entitled to exercise the Option as provided in this Agreement may at any time purchase all or any portion of the Shares that may then be purchased under that Schedule.

**[Notwithstanding the foregoing, if and to the extent this Option is continued, assumed or replaced in connection with a Change in Control that constitutes a Corporate Transaction as provided in Section 12(b)(1) of the Plan, and if within one year after such Corporate Transaction you experience an involuntary termination of Service for reasons other than Cause, then this Option shall immediately become exercisable in full and shall remain exercisable for one year following your termination of Service.]

Notwithstanding the foregoing:

(a) This Option shall become 100% vested and fully exercisable, effective as of the date of your Retirement, in the event that (A) your continuous Service terminates by reason of your Retirement and (B) the Company does not provide you with written notice on or before the anticipated Retirement date that the Company intends or has grounds to terminate your continuous Service for Cause.

(b) The accelerated vesting and exercisability of this Option upon your Retirement will be conditioned on (A) your timely execution (and non-rescission) of a Release, and (B) your continued compliance with your obligations under the Confidentiality Agreement. Notwithstanding anything to the contrary in this Agreement, if you breach any provision of the Confidentiality Agreement, whether before or after your Retirement, then you shall immediately forfeit all outstanding Options and any right to exercise the Options.

(c) Definitions.

- I. “Confidentiality Agreement” means the At Will/ Confidentiality Agreement Regarding Certain Terms and Conditions of Employment.
- II. “Release” means a standard release of claims in the form provided by the Company at the time of Retirement, which must be executed and become irrevocable within forty-five (45) days following the date of Retirement. If you do not timely execute and deliver the Release to the Company, or if you subsequently revoke the Release, then you will automatically forfeit the unvested portion of this Option effective as of the date of Retirement.
- III. You will be considered to incur a “Retirement” if you voluntarily terminate Service and meet all of the following requirements at the time or such termination: (A) you are at least fifty-eight (58) years old and have completed ten (10) years of continuous Service with the Company or you are at least sixty-five (65) years old (without regard to years of Service); (B) you have provided the Company not less than six (6) months prior written notice of your intent to retire; (C) you continue to perform full-time Service for the Company materially consistent with your full-time responsibilities and services, performed prior to the date on which you provided written notice of your Retirement, through the date of your termination of Service; and (D) the date of your termination of Service occurs on the retirement date that you have previously identified (and such termination date is no less than six (6) months after the date on which you provided written notice of Retirement).

In addition, vesting and exercisability of this Option may be accelerated during the term of the Option under the circumstances described in Sections 12(b)(2) and 12(c) of the Plan, and at the discretion of the Committee in accordance with Section 3(b)(2) of the Plan.

3. **Expiration.** This Option will expire and will no longer be exercisable at 5:00 p.m. Central Time on the earliest of:
- (a) The expiration date specified on the cover page of this Agreement;
 - (b) Upon your termination of Service for Cause;
 - (c) Upon the expiration of any applicable period specified in Section 6(e) of the Plan or Section 2 of this Agreement during which this Option may be exercised after your termination of Service; or
 - (d) The date (if any) fixed for termination or surrender of this Option pursuant to Sections 12(b)(2), 12(b)(3), 12(c) or 12(d) of the Plan.
4. **Service Requirement.** Except as otherwise provided in Section 6(e) of the Plan or Section 2 of this Agreement, this Option may be exercised only while you continue to provide Service to the Company or any Affiliate, and only if you have continuously provided such Service since the date this Option was granted.
- * Unless the context indicates otherwise, terms that are not defined in this Agreement shall have the meaning set forth in the Plan as it currently exists or as it is amended in the future.
5. **Exercise of Option.** Subject to Section 4, the vested and exercisable portion of this Option may be exercised at any time during the Option term by delivering a written notice of exercise to the Company at its principal executive office, and by providing for payment of the exercise price of the Shares being acquired and any related withholding taxes. The notice of exercise, in the form attached to this Agreement, shall be provided to the Company's Chief Financial Officer. The notice shall state the number of Shares to be purchased, and shall be signed by the person exercising the Option. If you are not the person exercising the Option, the person submitting the notice also must submit appropriate proof of his/her right to exercise the Option.
6. **Payment of Exercise Price.** When you submit your notice of exercise, you must include payment of the exercise price of the Shares being purchased through one or a combination of the following methods:
- (a) Cash (including personal check, cashier's check or money order);
 - (b) To the extent permitted by the Committee, by means of a broker-assisted cashless exercise in which you irrevocably instruct your broker to deliver proceeds of a sale of all or a portion of the Shares to be issued pursuant to the exercise to the Company in payment of the exercise price of such Shares; or
 - (c) By delivery to the Company of Shares (by actual delivery or attestation of ownership in a form approved by the Company) already owned by you that are not subject to any security interest and that have an aggregate Fair Market Value on the date of exercise equal to the exercise price of the Shares being purchased; or
 - (d) By authorizing the Company to retain, from the total number of Shares as to which the Option is being exercised, that number of Shares having a Fair Market Value on the date of exercise equal to the exercise price for the total number of Shares as to which the Option is being exercised.

However, if the Committee determines, in any given circumstance, that payment of the exercise price with Shares or by authorizing the Company to retain Shares is undesirable for any reason, you will not be permitted to pay any portion of the exercise price in that manner.

7. **Withholding Taxes.** You may not exercise this Option in whole or in part unless you make arrangements acceptable to the Company for payment of any federal, state, local or foreign withholding taxes that may be due as a result of the exercise of this Option. You hereby authorize the Company (or any Affiliate) to withhold from payroll or other amounts payable to you any sums required to satisfy such withholding tax obligations, and otherwise agree to satisfy such obligations in accordance with the provisions of Section 14 of the Plan. If you wish to satisfy some or all of such withholding tax obligations by delivering Shares you already own or by having the Company retain a portion of the Shares being acquired upon exercise of the Option, you must make such a request which shall be subject to approval by the Company. Delivery of Shares upon exercise of this Option is subject to the satisfaction of applicable withholding tax obligations.
8. **Delivery of Shares.** As soon as practicable after the Company receives the notice and exercise price provided for above, and has determined that all conditions to exercise, including Sections 7 and 9 of this Agreement, have been satisfied, it shall deliver to the person exercising the Option, in the name of such person, the Shares being purchased, as evidenced by issuance of a stock certificate or certificates, electronic delivery of such Shares to a brokerage account designated by such person, or book-entry registration of such Shares with the Company's transfer agent. The Company shall pay any original issue or transfer taxes with respect to the issue or transfer of the Shares and all fees and expenses incurred by it in connection therewith. All Shares so issued shall be fully paid and nonassessable.
9. **Compliance with Laws.** This Option may be exercised only if the issuance of Shares upon such exercise complies with all applicable legal requirements, including compliance with the provisions of applicable federal and state securities laws.
10. **Transfer of Option.** During your lifetime, only you (or your guardian or legal representative in the event of legal incapacity) may exercise this Option except in the case of a transfer described below. You may not assign or transfer this Option except (i) for 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, (ii) pursuant to a qualified domestic relations order, or (iii) with the prior written approval of the Company, by gift, in a form accepted by the Company, to a permitted transferee under General Instruction A(5) to Form S-8 under the Securities Act. The Option held by any such transferee will continue to be subject to the same terms and conditions that were applicable to the Option immediately prior to its transfer and may be exercised by such transferee as and to the extent that the Option has become exercisable and has not terminated in accordance with the provisions of the Plan and this Agreement.
11. **No Stockholder Rights Before Exercise.** Neither you nor any permitted transferee of this Option will have any of the rights of a stockholder of the Company with respect to any Shares subject to this Option until a certificate evidencing such Shares has been issued, electronic delivery of such Shares has been made to your designated brokerage account, or an appropriate book entry in the Company's stock register has been made. No adjustments shall be made for dividends or other rights if the applicable record date occurs before your stock certificate has been issued, electronic delivery of your Shares has been made to your designated brokerage account, or an appropriate book entry in the Company's stock register has been made, except as otherwise described in the Plan.
12. **Governing Plan Document.** This Agreement and Option 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.
13. **Choice of Law.** This Agreement will be interpreted and enforced under the laws of the state of Delaware (without regard to its conflicts or choice of law principles).
14. **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.

15. **Other Agreements.** You agree that in connection with the exercise of this Option, you will execute such documents as may be necessary to become a party to any stockholder, voting or similar agreements as the Company may require.

16. **Restrictive Legends.** The Company may place a legend or legends on any certificate representing Shares issued upon the exercise of this Option summarizing transfer and other restrictions to which the Shares may be subject under applicable securities laws, other provisions of this Agreement, or other agreements contemplated by Section 15 of this Agreement. You agree that in order to ensure compliance with the restrictions referred to in this Agreement, the Company may issue appropriate “stop transfer” instructions to its transfer agent.

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

**NOTICE OF EXERCISE
Non-Statutory Stock Option**

, 20

SPS Commerce, Inc.
333 South Seventh Street, Suite 1000
Minneapolis, Minnesota 55402
Attention: Chief Financial Officer

Ladies and Gentlemen:

I hereby exercise the following option (the "Option") granted to me under the SPS Commerce, Inc. 2010 Equity Incentive Plan (as amended from time to time, the "Plan") with respect to the number of shares of common stock of SPS Commerce, Inc. (the "Company") indicated below:

Name: _____

Date of Grant of Option: _____

Exercise Price Per Share: _____

Number of Shares With Respect to Which the Option is Hereby Exercised: _____

Total Exercise Price: _____

- Enclosed with this Notice is a check, cashier's check or money order in the amount of the Total Exercise Price.
- Enclosed with this Notice is a copy of my irrevocable instruction to my broker, , to deliver to the Company proceeds of the sale of some or all of the Shares being acquired in an amount equal to the Total Exercise Price.
- Enclosed with this Notice is a certificate evidencing unencumbered Shares (duly endorsed in blank) having an aggregate Fair Market Value (as defined in the Plan) equal to or in excess of the Total Exercise Price or an affidavit of ownership in the form of Exhibit A attached hereto attesting to my ownership of unencumbered Shares having an aggregate Fair Market Value (as defined in the Plan) equal to or in excess of the Total Exercise Price.
- I elect to pay the Total Exercise Price through a reduction in the number of Shares to be delivered to me upon this exercise of the Option.

In connection with this exercise, I represent, warrant and acknowledge as follows:

- I will provide for the payment to the Company, in a manner agreed to by the Company, of the amount of any required withholding taxes in connection with this exercise as provided in Section 14 of the Plan.
- I am the owner of all Shares delivered with this Notice or attested to on the attached affidavit of ownership, free and clear of all liens, security interests and other restrictions or encumbrances.

Please issue the number of Shares with respect to which the Option is being exercised (or the net number of Shares if the Total Exercise Price and/or applicable withholding taxes are being paid through a reduction in the number of Shares to be delivered to me) in the manner indicated below:

- Issue a certificate (the "Certificate") for the Shares in the name of the person(s) indicated below and deliver the Certificate to the address indicated:

Name(s) in Which to Issue Certificate:

Address to Which Certificate Should be Delivered:

Principal Mailing Address for Holder of the Certificate (if different from above):

- Electronic delivery of the Shares to my brokerage account as indicated below:

Name of Brokerage Firm:

My Account Number:

Brokerage Firm DWAC Participant Number:

- Create a book-entry registration of the Shares in the name of the person(s) indicated below:

Name(s) in Which to Create Book-Entry Registration:

Mailing Address for Book-Entry Holders:

Very truly yours,
Signature
Name, please print
Social Security Number

**Affidavit of Ownership of
SPS Commerce, Inc. Common Stock**

Pursuant to the Notice of Exercise that I have submitted to SPS Commerce, Inc. (the “*Company*”), I am electing to pay (select one or both)

- the Total Exercise Price for the option shares

- federal income tax withholding in excess of the minimum required withholding amount

by attesting to ownership of the shares listed below and hereby tender for accounting purposes such shares in payment thereof. I hereby certify that:

1. I beneficially own shares of Company common stock (the “*Swap Shares*”) as of the date hereof. These Swap Shares are:

- Held in my name individually and a photocopy of the stock certificate evidencing my ownership is attached.
- Held in my name and as joint tenants and a photocopy of the stock certificate evidencing ownership is attached.
- Held in a brokerage account in the name of . A photocopy of a brokerage statement of account, dated within the preceding two months and showing evidence of ownership of Company stock, is attached. (The option holder may block out information not relevant to Company stock ownership on the account statement.)

2. The Swap Shares are held by me as described above and are not held for my benefit by a Trustee or custodian in the SPS Commerce, Inc. 401(k) Retirement Savings Plan, in an IRA account or in any other type of employee benefit or tax deferral plan.

Date

Signature

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

Restricted Stock Unit Award Agreement

SPS Commerce, Inc. (the "Company"), pursuant to its 2010 Equity Incentive Plan (the "Plan"), hereby grants an award of restricted stock units ("Units") to you, the Participant named below. The terms and conditions of this restricted stock unit Award are set forth in this Restricted Stock Unit Award Agreement (the "Agreement"), consisting of this cover page and the Terms and Conditions on the following pages, and in the Plan document which is attached. 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: **[_____]	
Number of Units: **[_____]	Grant Date: _____, 20__
Vesting Schedule:	
<u>Vesting Dates</u>	<u>Number of Units that Vest</u>

By signing below, you agree to all of the terms and conditions contained in this Agreement and in the Plan document. You acknowledge that you have reviewed these documents and that they set forth the entire agreement between you and the Company regarding the grant to you of the number of Units specified in the table above.

PARTICIPANT:

SPS COMMERCE, INC.

By:
Title:

SPS Commerce, Inc.
2010 Equity Incentive Plan
Restricted Stock Unit Award Agreement

Terms and Conditions

1. **Grant of Restricted Stock Units.** The Company hereby grants to you, subject to the terms and conditions in this Agreement and the Plan, an Award of the number of Units specified on the cover page of this Agreement, each representing the right to receive one Share of the Company's common stock. The Units granted to you will be credited to an account in your name maintained by the Company. This account shall be unfunded and maintained for book-keeping purposes only, with the Units simply representing an unfunded and unsecured obligation of the Company.
2. **Restrictions on Units.** Neither this Award nor the Units subject to this Award may be sold, assigned, transferred, exchanged or encumbered other than by will or the laws of descent and distribution. Any attempted transfer in violation of this Section 2 shall be of no effect and shall result in the forfeiture of all Units. The Units and your right to receive Shares in settlement of the Units under this Agreement shall be subject to forfeiture as provided in Section 4 until satisfaction of the vesting conditions set forth in Section 3.
3. **Vesting of Units.**
 - (a) **Scheduled Vesting.** If you remain a Service Provider to the Company or any of its Affiliates continuously from the Grant Date specified on the cover page of this Agreement, then the Units will vest in the numbers and on the dates specified in the Vesting Schedule on the cover page of this Agreement.
 - (b) **Accelerated Vesting.**
 - 1) Change in Control. [Notwithstanding Section 3(a), if and to the extent this Award is continued, assumed or replaced in connection with a Change in Control that constitutes a Corporate Transaction as provided in Section 12(b)(1) of the Plan, and if within one year after the Corporate Transaction you experience an involuntary termination of Service for reasons other than Cause, then this Award shall immediately become vested in full.] Vesting of the Units may be accelerated during the term of the Award under the circumstances described in Sections 12(b)(2) and 12(c) of the Plan, and at the discretion of the Committee in accordance with Section 3(b)(2) of the Plan.
 - 2) Retirement.
 - i. All Units not yet vested shall become 100% vested, effective as of the date of your Retirement, in the event that (A) your continuous Service terminates by reason of your Retirement and (B) the Company does not provide you with written notice on or before the anticipated Retirement date that the Company intends or has grounds to terminate your continuous Service for Cause.
 - ii. The accelerated vesting of Units under this Section 3(b)(2) upon your Retirement will be conditioned on (A) your timely execution (and non-rescission) of a Release, and (B) your continued compliance with your obligations under the Confidentiality Agreement. Notwithstanding anything to the contrary in this Agreement, if you breach any provision of

the Confidentiality Agreement, whether before or after your Retirement, then (A) you shall immediately forfeit all outstanding Units and any right to receive shares thereunder, and (B) with respect to Shares that have been issued pursuant to this Award, you shall either (A) return such Shares to the Company or (B) pay to the Company in cash an amount equal to the fair market value of the shares as of the date that the receipt of such shares became taxable to you.

iii. Definitions.

- I. “Confidentiality Agreement” means the At Will/ Confidentiality Agreement Regarding Certain Terms and Conditions of Employment.
- II. “Release” means a standard release of claims in the form provided by the Company at the time of Retirement, which must be executed and become irrevocable within forty-five (45) days following the date of Retirement. If you do not timely execute and deliver the Release to the Company, or if you subsequently revoke the Release, then you will automatically forfeit the unvested Units covered by this Award effective as of the date of Retirement.
- III. You will be considered to incur a “Retirement” if you voluntarily terminate Service and meet all of the following requirements at the time or such termination: (A) you are at least fifty-eight (58) years old and have completed ten (10) years of continuous Service with the Company or you are at least sixty-five (65) years old (without regard to years of Service); (B) you have provided the Company not less than six (6) months prior written notice of your intent to retire; (C) you continue to perform full-time Service for the Company materially consistent with your full-time responsibilities and services, performed prior to the date on which you provided written notice of your Retirement, through the date of your termination of Service; and (D) the date of your termination of Service occurs on the retirement date that you have previously identified (and such termination date is no less than six (6) months after the date on which you provided written notice of Retirement).

4. **Effect of Termination of Employment**. Except as otherwise provided in accordance with Section 3(b), if you cease to be a Service Provider prior to the Vesting Date(s) specified on the cover page of this Agreement, you will forfeit all unvested Units.
5. **Settlement of Units**. After any Units vest pursuant to Section 3(a) or (b)(1), the Company shall, no later than March 15 of the year following the calendar year in which such Units vest, cause to be issued and delivered to you, or to your designated beneficiary or estate in the event of your death, one Share in payment and settlement of each vested Unit. After any Units vest pursuant to Section 3(b)(2), and subject to Section (3)(b)(2)(ii), the Company shall, on or prior to the later of (i) March 15 of the year following the calendar year of your Retirement, or (ii) sixty (60) days following the date of your Retirement, cause to be issued and delivered to you, or to your designated beneficiary or estate in the event of your death, one Share in payment and settlement of each vested Unit. 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 Units.

6. **Tax Consequences and Withholding**. As a condition precedent to the delivery of Shares in settlement of the Units, 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 obligation (“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 each Vesting Date, you must make arrangements acceptable to the Company for payment of any Tax Withholding Obligations, which may include to the extent permitted by the Company (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 minimum required amount of Tax Withholding Obligations, or (ii) the establishment of 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 applicable Unit vesting date the minimum whole number of Shares from the Shares issuable to you in settlement of the vested Units as is determined to be sufficient to generate cash proceeds adequate to satisfy such Tax Withholding Obligations.
7. **No Shareholder Rights**. The Units 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 the grant of Units subject to this Agreement unless and until Shares are issued to you upon settlement of the Units as provided in Section 5.
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. **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.
12. **Section 409A of the Code**. The award of Units 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 of Directors of the Company 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 the cover page of this Agreement, you agree to all the terms and conditions described above and in the Plan document.

**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:	January 1, 2022 – December 31, 2024
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, 2025.
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 0% and 200% 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) *Retirement.*

- i. If your employment terminates prior to the Scheduled Vesting Date due to Retirement, the requirement for continuous Service set forth in Section 4(a) shall be deemed satisfied through the Scheduled Vesting Date. You will be entitled to have vest, on the Scheduled Vesting Date, 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 Performance Period.
- ii. The accelerated vesting of PSUs under this Section 4(c) upon your Retirement will be conditioned on (A) your timely execution (and non-rescission) of a Release, and (B) your continued compliance with your obligations under the Confidentiality Agreement. Notwithstanding anything to the contrary in this Agreement, if you breach any provision of the Confidentiality Agreement, whether before or after your Retirement, then (A) you shall immediately forfeit all outstanding PSUs and any right to receive shares thereunder, and (B) with respect to Shares that have been issued pursuant to this Award, you shall either (A) return such Shares to the Company or (B) pay to the Company in cash an amount equal to the fair market value of the shares as of the date that the receipt of such shares became taxable to you.

iii. *Definitions.*

1. “Confidentiality Agreement” means the At Will/ Confidentiality Agreement Regarding Certain Terms and Conditions of Employment.
2. “Release” means a standard release of claims in the form provided by the Company at the time of Retirement, which must be executed and become irrevocable within forty-five (45) days following the date of Retirement. If you do not timely execute and deliver the Release to the Company, or if you subsequently revoke the Release, then you will automatically forfeit all PSUs covered by this Award which otherwise would have vested pursuant to this Section 4(c) effective as of the date of Retirement.
3. You will be considered to incur a “Retirement” if you voluntarily terminate Service and meet all of the following requirements at the time of such termination: (A) you are at least fifty-eight (58) years old and have completed ten (10) years of continuous Service with the Company or you are at least sixty-five (65) years old (without regard to years of Service); (B) you have provided the Company not less than six (6) months prior written notice of your intent to retire; (C) you continue to perform full-time Service for the Company materially consistent with your full-time responsibilities and services, performed prior to the date on which you provided written notice of your Retirement, through the date of your termination of Service; (D) the date of your termination of Service occurs on the retirement date that you have previously identified (and such termination date is no less than six (6) months after the date on which you provided written notice of Retirement); and (E) the Company does not provide you with written notice on or before the anticipated Retirement date that the Company intends or has grounds to terminate your continuous Service for Cause]

(d) *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) or 4(c), 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 Delaware (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 the Company's current compensation recovery policy and any amended or subsequently adopted 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.

Exhibit A to Performance Stock Unit Agreement
Performance Goals and Determination of Earned PSUs

Participant:

Grant Date:

Target Number of PSUs:

Performance Period: January 1, 2022 – December 31, 2024
(or such shorter period as provided in Section 4(b) of the Agreement)

Subject to the terms of the Performance Stock Unit Agreement (“Agreement”) referenced above and to which this Exhibit A is attached and of which it is a part, the number of PSUs that will be earned and become eligible to vest as of the Scheduled Vesting Date will be determined as provided below. Any capitalized term used in this Exhibit A that is not defined herein will have the meaning given to it in the Agreement or the Plan.

1. *Earned PSUs.* The number of earned PSUs is calculated by multiplying the Target Number of PSUs specified on the cover page of the Agreement by the Performance Multiplier Percentage.

2. *Definitions.* For purposes of determining the Performance Multiplier Percentage, the following terms shall have the meanings indicated:

(a) “Index” means the Russell 2000 Index.

(b) “TSR” or “Total Shareholder Return” for the Company or the Index during the Performance Period means the cumulative total return during the Performance Period on the Company’s Stock or a deemed investment in the Index, as measured by the change in the price of a share of the Company’s Stock or in the Index value, as the case may be, from the beginning of the Performance Period to the end of the Performance Period and taking into account the assumed reinvestment of all dividends paid during the Performance Period, expressed as a percentage comparing such cumulative total return to the price of a share of the Company’s Stock or the Index value, as the case may be, at the beginning of the Performance Period. Total Shareholder Return shall be calculated consistent with the following principles:

(i) The Stock price or Index value at the beginning of the Performance Period will be the average closing sale price of the Stock (on the principal U.S. exchange) or average Index value (as reported in the *Wall Street Journal*) for the 20 trading days immediately preceding the first day of the Performance Period.

(ii) The Stock price or Index value at the end of the Performance Period will be the average closing sale price of the Stock (on the principal U.S. exchange) or average Index value (as reported in the *Wall Street Journal*) for the last 20 trading days of the Performance Period.

(c) “Performance Multiplier Percentage” or “PMP” means the percentage specified in the following table that corresponds to the TSR achieved by the Company during the Performance Period as compared to the TSR achieved by the Index during the Performance Period. If the comparison of Company TSR against Index TSR falls between the performance levels specified in the table, the corresponding

Performance Multiplier Percentage will be determined by linear interpolation. If Company TSR is greater than Index TSR but is negative, the Performance Multiplier Percentage shall be capped at 100%.

Company TSR as Compared to Index TSR	Performance Multiplier Percentage
Company TSR is more than 10 percentage points less than Index TSR	0%
Company TSR is 10 percentage points less than Index TSR	40%
Company TSR is equal to Index TSR	80%
Company TSR is 5 percentage points greater than Index TSR	100%
Company TSR is 30 percentage points greater than Index TSR	200%

3. *Rounding.* In calculating the Performance Multiplier Percentage, percentages shall be rounded to the nearest one-tenth of one percent. In calculating the number of earned PSUs, the number of earned PSUs shall be rounded to the nearest whole unit.

4. *Sample Calculations.* Assume that you are awarded a PSU award that involves a Target Number of 1,000 PSUs.

Example 1. Assume that the Company TSR during the Performance Period is 22% and the Index TSR is 20%. The PMP, which will be between 80% and 100%, is determined by adding to the PMP of 80% an additional 8% calculated as follows:

$$(100\% - 80\%) \times ((22\% - 20\%)/(5\%)) = 8\%$$

In this example, the difference between the relevant PMPs (100% - 80%) is multiplied by a fraction whose numerator is the difference between the Company's actual performance (22%) and the performance that corresponds to an 80% PMP (20%), and denominator is the amount of performance improvement that would increase the PMP from 80% to 100% (5 percentage points).

Finally, multiply the 1,000 target PSUs by the 88% PMP to get 880 earned PSUs.

Example 2. Assume that the Company TSR during the Performance Period is 36% and the Index TSR is 20%. The PMP, which will be between 100% and 200%, is determined by adding to the PMP of 100% an additional 44% calculated as follows:

$$(200\% - 100\%) \times ((36\% - 25\%)/(25\%)) = 44\%$$

In this example, the difference between the relevant PMPs (200% - 100%) is multiplied by a fraction whose numerator is the difference between the Company's actual performance (36%) and the performance that corresponds to a 100% PMP (25%), and denominator is the amount of performance improvement that would increase the PMP from 100% to 200% (25 percentage points [30-5]).

Finally, multiply the 1,000 target PSUs by the 144% PMP to get 1,440 earned PSUs.

Example 3. Assume that the Company TSR during the Performance Period is 16% and the Index TSR is 20%. The PMP, which will be between 40% and 80%, is determined by adding to the PMP of 40% an additional 24% calculated as follows:

$$(80\% - 40\%) \times ((16\% - 10\%)/(10\%)) = 24\%$$

In this example, the difference between the relevant PMPs (80% - 40%) is multiplied by a fraction whose numerator is the difference between the Company's actual performance (16%) and the performance that corresponds to a 40% PMP (10%), and denominator is the amount of performance improvement that would increase the PMP from 40% to 80% (10 percentage points).

Finally, multiply the 1,000 target PSUs by the 64% PMP to get 640 earned PSUs.