

**SPS COMMERCE, INC.**  
**CORPORATE GOVERNANCE GUIDELINES**  
**AMENDED AND RESTATED: FEBRUARY 25, 2014**

**A. ROLE OF THE BOARD AND MANAGEMENT**

The business of SPS Commerce, Inc. (the “*Company*”) is conducted by the officers and employees of the Company, under the oversight of its Board of Directors (the “*Board*”). The Board is elected by the stockholders to oversee management’s performance so that the interests of stockholders are served. Both the Board and management recognize the interests of stockholders, employees, customers, consumers, suppliers, the government and the communities in which the Company operates, all of whom are important to the Company’s success.

As part of its general oversight function, the Board reviews, monitors and approves fundamental business and financial strategies and major corporate actions, and reviews and discusses reports by management on the performance of the Company and its prospects, as well as issues and risks facing the Company. The Board, operating through its committees, selects, evaluates and determines compensation and succession planning for the Chief Executive Officer and senior management, engages and assesses the independence of the outside auditor for the Company, and nominates directors for the Board. The Board also ensures that processes are in place for maintaining the integrity of the Company’s financial statements and external reporting, and the integrity of compliance with law and ethics policies.

**B. BOARD COMPOSITION AND LEADERSHIP**

1. *Size of the Board.* The size of the Board should generally be five to twelve members. The actual number of directors is determined by the Board, consistent with the bylaws of the Company.

2. *Independent Directors.* A majority of the members of the Board will be independent directors. The Company defines an “independent” director in the same manner as set forth in Rule 5605 of the Nasdaq Stock Market Listing Rules, as it may be amended from time to time. Among other things, this rule requires the Board to determine that an individual is free of any relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

3. *Director Qualifications and Selection.* The Board selects and recommends to stockholders qualified individuals who, if added to the Board, would provide the mix of director characteristics and diverse experiences, perspectives and skills appropriate for the Company. 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. 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. The Governance and Nominating Committee of the Board will screen potential director candidates, including those recommended by stockholders, and recommend to the Board suitable nominees for election to the Board.

4. *Chairperson.* The Board will elect a Chairperson. In the event the Chairperson is not an independent director, the Board will elect a lead independent director.

5. *Term Limits.* The Board believes it appropriate to limit the number of terms a director may serve such that no director will be elected to the Board or nominated for election by the stockholders to the Board after he or she has served for 15 years following the closing of the Company’s initial public offering. Notwithstanding the foregoing, the Governance and Nominating Committee will evaluate each director’s performance and contributions to the Board prior to recommending that a director be

renominated for another term.

6. *Retirement.* No individual, including a current director, will be elected to the Board or nominated for election by the stockholders to the Board after he or she reaches the age of 72.

7. *Change in Job Responsibilities.* A director must submit a written offer to resign from the Board upon termination of his or her active service as an employee of the Company or upon his or her change of employment. The Governance and Nominating Committee will evaluate the continued appropriateness of Board membership and make a recommendation to the full Board as to whether or not the offer to resign should be accepted.

8. *Service on Other Boards.* Directors should insure that the number of public company boards on which they serve does not detract from their ability to devote sufficient time to effectively carry out their duties and responsibilities on the Board. Any director should advise the Chairperson and the Chairperson of the Governance and Nominating Committee before accepting any invitation to serve on another public company board.

### **C. BOARD AND COMMITTEE ORGANIZATION**

1. *Board Committees.* The Board is organized so that a significant portion of its business is conducted by its committees. The committees currently established by the Board are the Audit, Governance and Nominating, and Compensation Committees. All significant findings and actions of a committee will be reported to the full Board.

2. *Committee Charters.* The Board will approve a charter or resolution for each committee setting forth the purpose, authority and duties of the committee. Each committee will review its charter annually and recommend to the full Board any changes deemed necessary or desirable.

3. *Committee Composition.* The Audit, Governance and Nominating, and Compensation Committees will be comprised solely of independent directors, in accordance with the listing standards of the stock exchange or automated quotation system upon which the Company's common stock is listed, if any. Members of these committees will meet any additional criteria for independence prescribed by federal securities and tax laws or regulations for members of such committees, including for purposes of Section 16 under the Securities Exchange Act and Section 162(m) under the Internal Revenue Code. At any time when the Chairperson is an independent director, he or she may attend any and all committee meetings. The Chief Executive Officer may attend any portion of a committee meeting when the committee members are not in an executive session of the independent members only or the Chief Executive Officer is not prohibited by the committee charter, stock exchange listing rules or securities laws and regulations from attending the meeting.

### **D. BOARD AND COMMITTEE OPERATIONS**

1. *Number of Board Meetings.* While the frequency of Board meetings will vary with circumstances, a minimum of four meetings will be held annually. The Governance and Nominating Committee is responsible for developing the annual schedule of Board meetings.

2. *Setting Board Agenda.* The agenda for each Board meeting will be established by the Chief Executive Officer and the Chairperson in consultation with the committee chairs as applicable. Each director is encouraged to make suggestions for agenda items or additional presenting materials to the Chairperson, Chief Executive Officer or appropriate committee chairperson at any time.

3. *Distribution of Board Materials.* Presentations on specific subjects to be discussed at an upcoming Board meeting as well as information important to the Board's understanding of the business generally will ordinarily be distributed to Board members sufficiently in advance of the meeting to provide directors with an adequate opportunity to prepare for discussion at the meeting. If, because of the particularly sensitive nature of a matter to be considered, presentation materials on that topic are not

distributed in advance, the time devoted at the meeting to the presentation of the topic will be adjusted accordingly.

4. *Executive Sessions of Independent Directors.* Executive sessions of the independent directors without management present will be included as part of each regularly scheduled Board meeting. The Chairperson will preside at such meetings. The independent directors may meet without management present at such other times as determined by the Chairperson.

5. *Committee Meetings.* Each committee chair, in consultation with committee members, will determine the frequency and length of committee meetings. Each committee chair, in consultation with committee members and appropriate members of management, will determine committee agendas. Executive sessions of the respective committees will be held as each committee deems necessary and as may be specified in a committee's charter.

6. *Attendance of Non-directors at Meetings.* With the concurrence of the Board, members of senior management recommended by the Chief Executive Officer may attend Board meetings on a regular basis. The Board encourages the Chief Executive Officer to arrange for the attendance of other members of management at Board meetings who can provide useful insights on matters being presented or who could benefit from being given exposure to the Board.

7. *Access to Senior Management.* All directors have free access to members of the senior management of the Company.

8. *Access to Outside Advisors.* The Board and its committees may retain independent outside financial, legal, compensation or other advisors as they deem necessary or advisable.

9. *Director Compensation.* The Compensation Committee is responsible for recommending to the Board the compensation for non-employee directors.

10. *Director Orientation and Continuing Education.* The Governance and Nominating Committee oversees an orientation process to familiarize new directors with the Company, including its business and strategic plans, financial statements and key policies and practices. Directors are expected to keep current on developments affecting the Company and their duties and responsibilities as directors through their own resources and using the resources of the Company.

11. *Director Attendance at Annual Stockholders Meetings.* Directors are expected to make every reasonable effort to attend the annual meetings of the stockholders of the Company.

## **E. BOARD AND MANAGEMENT EVALUATION**

1. *Assessing Board and Committee Performance.* The Governance and Nominating Committee will oversee an annual self-evaluation by the Board of its performance and effectiveness.

2. *Evaluation of the Chief Executive Officer.* Either (a) the Governance and Nominating Committee will annually assess the performance and effectiveness of the Chief Executive Officer and provide the results of the assessment to the Compensation Committee for its consideration in establishing or changing the Chief Executive Officer's compensation or (b) the Compensation Committee will annually assess the performance and effectiveness of the Chief Executive Officer. The Chairperson will discuss the results of the assessment with the Chief Executive Officer.

3. *Succession Planning.* The Board will approve and maintain succession plans for the Chief Executive Officer and other, critical senior management positions based on recommendations from the Governance and Nominating Committee and the Chief Executive Officer.

## **F. RELATIONSHIPS WITH STOCKHOLDERS AND OTHER CONSTITUENCIES**

1. *Board Interaction with Outside Interested Parties.* The Chief Executive Officer and his

designees are the representatives of the Company to constituencies outside the Company. The Chairperson or his designees are the representatives of the Board.

2. *Ethics and Conflicts of Interest.* The Board expects all directors, officers and employees to act ethically at all times and to comply with the Company's Code of Business Conduct and Ethics. If an actual or potential conflict of interest arises for a director, the director will promptly inform the Chief Executive Officer and the Chairperson. If a significant conflict exists and cannot be resolved, the director should resign. All directors will recuse themselves from any discussion or decision affecting their business or personal interests (other than their interests solely as a stockholder of the Company where the director is treated in a manner similar to other stockholders).

3. *Stockholder Communications to Board.* 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. All communications 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 Company 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. The Company will disclose this process on its corporate website.

#### **G. REVIEW, AMENDMENT AND IMPLEMENTATION**

1. These Guidelines will be reviewed periodically by the Governance and Nominating Committee, which will recommend for adoption by the Board any amendments or modifications it deems necessary or desirable. These Guidelines will, along with each committee's charter, be posted on the Company's website.

2. The Governance and Nominating Committee will oversee the implementation of these Guidelines, and in so doing is authorized to interpret these Guidelines and to recommend to the Board the temporary waiver of any requirement of these Guidelines when, in the judgment of the Committee, such a waiver is in the best interests of the Company and its stockholders and is not inconsistent with any law, regulation or stock exchange rule applicable to the Company.

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