

**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**

Date of report (Date of earliest event reported): December 28, 2020

Sprout Social, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-39156
(Commission
File Number)

27-2404165
(IRS Employer
Identification No.)

131 South Dearborn St., Suite 700
Chicago, Illinois

(Address of Principal Executive Offices)

60603

(Zip Code)

(866) 878-3231

(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:

- 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:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, \$0.0001 par value per share	SPT	The Nasdaq Stock Market LLC

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

On December 28, 2020, Sprout Social, Inc. (the “Company”) announced that Ryan Barretto has been appointed President of the Company, effective immediately. Concurrently with Mr. Barretto’s appointment, Justyn Howard’s title will change from President and Chief Executive Officer to Chairman and Chief Executive Officer.

Previously, Mr. Barretto, 41, served as Senior Vice President, Global Sales of the Company since July 2016. Prior to joining Sprout Social, Mr. Barretto was the Vice President of Global Sales, Pardot for Salesforce.com, Inc. from November 2014 to June 2016 and the Area Vice President, Commercial Sales for Salesforce.com, Inc. from February 2012 to October 2014. Mr. Barretto holds a Bachelor’s degree in Business Administration from Wilfrid Laurier University and a Master’s degree in International Marketing from the University of Strathclyde.

There are no arrangements or understandings between Mr. Barretto and any other persons pursuant to which he was elected as an officer of the Company. With respect to Item 404(a) of Regulation S-K, there are no relationships or related transactions between Mr. Barretto and the Company that would be required to be reported.

In connection with his appointment and promotion to the role of President, on December 28, 2020, the Company entered into a side letter with Mr. Barretto (the “Side Letter”). The Side Letter provides for Mr. Barretto’s change in title and specifies that he will receive, as of the effective date of his appointment, a grant of 120,000 restricted stock units (the “Initial RSU Grant”) pursuant to the Sprout Social, Inc. 2019 Incentive Award Plan (the “2019 Plan”). The Initial RSU Grant will generally vest 25% on the first anniversary of the applicable vesting start date, with an additional 1/16 of the Initial RSU Grant vesting per quarter thereafter, subject to Mr. Barretto’s continued employment with the Company through each vesting date. Pursuant to the Side Letter, Mr. Barretto will also receive, in the future, following the Company’s achievement of an annual run rate (as defined in the Side Letter) of \$200 million and subject to approval by the Compensation Committee of the Board of Directors of the Company (the “Committee”) at that time, a grant of 120,000 restricted stock units (the “Milestone RSU Grant”), which will generally vest over four years following the grant date of the Milestone RSU Grant pursuant to the same time-vesting schedule noted above with respect to the Initial RSU Grant. Mr. Barretto must be employed by the Company at the time that the Committee’ certifies achievement of the applicable milestone in order to receive the Milestone RSU Grant.

The foregoing description of the Side Letter is a summary only and is qualified in its entirety by reference to the full text of the Side Letter, which is attached hereto as Exhibit 10.1 and incorporated by reference herein.

Item 7.01. Regulation FD Disclosure.

A copy of the press release announcing the appointment of Mr. Barretto is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference. The information in this Item 7.01 (including Exhibit 99.1) shall not be deemed “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act, or the Exchange Act, regardless of any general incorporation language in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	Side Letter between Sprout Social, Inc. and Ryan Barretto
99.1	Press release dated December 28, 2020

SIGNATURE

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.

SPROUT SOCIAL, INC.

By: /s/ Heidi Jonas
Name: Heidi Jonas
Title: General Counsel and Secretary

Date: December 28, 2020

December 28, 2020

Ryan Barretto

Re: Promotion to President

Dear Ryan,

The purpose of this letter (this "Letter") is to confirm our understanding regarding your promotion to the role of President of Sprout Social, Inc., a Delaware corporation (the "Company"). Except as otherwise explicitly set forth herein, your amended and restated executive employment agreement with the Company, effective as of November 29, 2019, shall remain in full force and effect.

1. Promotion. Effective December 28, 2020, (the "Effective Date"), your title will change from Senior Vice President, Global Sales to President. As President of the Company, you will have such duties and responsibilities as are commensurate with such position and you shall continue to report to the Chief Executive Officer of the Company.
2. Base Salary. Following the Effective Date, you will continue to receive the same annual base salary that you received immediately prior to the Effective Date.
3. Initial RSU Grant. On or as soon as reasonably practicable following the Effective Date, and subject to approval by the Compensation Committee of the Board of Directors of the Company (the "Committee"), you will receive a grant of 120,000 restricted stock units (the "RSU Grant") pursuant to the Sprout Social, Inc. 2019 Incentive Award Plan (the "Plan"). The RSU Grant will generally vest 25% on the first anniversary of the applicable vesting start date, with an additional 1/16 of the RSU Grant vesting on each quarterly anniversary of the applicable vesting start date thereafter, such that the RSU Grant will be fully vested on the fourth anniversary of the applicable vesting start date, subject to your continued employment with the Company through each applicable vesting date. Notwithstanding anything in this Letter to the contrary, the RSU Grant will be subject to the terms and conditions set forth in an award agreement under the Plan, which will be provided to you under separate cover.
4. Milestone RSU Grant. As soon as reasonably practicable following the first calendar month during which (a) you are continuously employed by the Company for the entirety of such month, and (b) the Annual Run Rate (defined below) with respect to such month equals at least \$200 million (the "ARR Target"), you will receive a grant of 120,000 RSUs (the "Milestone RSU Grant") pursuant to the Plan, subject to the Committee's certification that the ARR Target has been satisfied and the Committee's approval, at such time, of the Milestone RSU grant. Once awarded, the Milestone RSU Grant will generally vest 25% on the first anniversary of the applicable vesting start date, with an additional 1/16 of the Milestone RSU Grant vesting on each quarterly anniversary of the applicable vesting start date thereafter, such that the Milestone RSU Grant will be fully vested on the fourth anniversary of the applicable vesting start date, subject to your

continued employment with the Company through each applicable vesting date. Notwithstanding anything herein to the contrary, (i) you must remain continuously employed by the Company through the date that the Committee certifies achievement of the ARR Target and approves the grant of the Milestone RSU Grant in order to receive this award, and (ii) the Milestone RSU Grant will be subject to the terms and conditions set forth in an award agreement under the Plan, which will be provided to you under separate cover if and when the Milestone RSU Grant has been granted. For purposes of this Letter, "Annual Run Rate" means the product of (A) twelve (12), and (B) the Company's recurring subscription revenues accrued during any given calendar month, as measured at the Company's reasonable discretion in accordance with its past practices and excluding any subscription revenue exclusively attributed to an acquisition made by the Company prior to the achievement of the ARR Target.

Please let me know if you have any questions. We look forward to continuing to work with you in your new role.

Best regards,

/s/ Justyn Howard

Justyn Howard
Chairman and Chief Executive Officer

Sprout Social Announces Promotion of Ryan Barretto to President

Will Report to Chairman and CEO Justyn Howard

CHICAGO, December 28, 2020 – Sprout Social, Inc. (“Sprout Social”, the “Company”) (Nasdaq: SPT), an industry-leading provider of cloud-based social media management software, today announced the promotion of Ryan Barretto to President, effective immediately. Barretto, previously Sprout Social’s Senior Vice President of Global Sales, will continue to report to Chairman and CEO, Justyn Howard.

“I am grateful for this opportunity to help lead the next chapter in Sprout’s story,” said Ryan Barretto, President of Sprout Social, who will now oversee global sales, customer success and marketing. “I’ve been honored to be a part of Sprout’s growth over the past four years particularly because it’s been fueled by an equal commitment to both our employees’ and customers’ success. That foundation, and the leadership of Justyn and the other co-founders, has positioned us as a clear leader in the social media management category, which is poised for disruptive growth. I’m looking forward to partnering more closely with Justyn, the board, and our senior leadership team as we build on that success and create even more value for our employees, customers, partners and shareholders.”

Mr. Barretto joined Sprout Social in 2016 as SVP of Global Sales & Success and has built the foundation to scale from \$30M in ARR to a fast-growing industry leader with greater than \$140M in ARR. Barretto has served as a trusted member of the executive team leading go-to-market initiatives including the scaling of customer success, expansion into the enterprise segment, and the opening of international offices. Barretto was instrumental to the company’s IPO process and its crisp execution during Sprout’s first year public. Prior to Sprout, Barretto spent ten years with Salesforce.com, in a variety of leadership roles as the company scaled from \$180M to more than \$7B in annual sales; most recently, Barretto served as VP of Global Sales, Pardot.

“Ryan is a remarkable leader,” said Chairman and CEO, Justyn Howard, “He elevates the entire team and we would not be where we are without his leadership and commitment to our success. Ryan’s contributions have been significant not only in our go-to-market efforts, but in every corner of our business. I’m thrilled to partner with Ryan on the next chapter of our growth and tackling this market opportunity together.”

About Sprout Social

Sprout Social offers deep social media listening and analytics, social management, customer care, and advocacy solutions to more than 25,000 brands and agencies worldwide. Sprout’s suite of solutions supports every aspect of a cohesive social program and enables organizations of all sizes to extend their reach, amplify their brand and create the kind of real connection with their consumers that drives their businesses forward. Headquartered in Chicago, Sprout operates across major social and digital platforms, including Twitter, Facebook, Instagram, Pinterest, LinkedIn and Google.

Availability of Information on Sprout Social’s Website and Social Media Profiles

Investors and others should note that Sprout Social routinely announces material information to investors and the marketplace using SEC filings, press releases, public conference calls, webcasts and the Sprout Social Investors website. We also intend to use the social media profiles listed below as a means of disclosing information about us to our customers, investors and the public. While not all of the information that the Company posts to the Sprout Social Investors website or to social media profiles is of a material nature, some information could be deemed to be material. Accordingly, the Company encourages investors, the media, and others interested in Sprout Social to review the information that it shares at the Investors link located at the bottom of the page on www.sproutsocial.com and to regularly follow our social media profiles. Users may automatically receive email alerts and other information about Sprout Social when enrolling an email address by visiting “Email Alerts” in the “Shareholder Services” section of Sprout Social’s Investor website at <https://investors.sproutsocial.com/>.

Social Media Profiles:

www.twitter.com/SproutSocial

www.facebook.com/SproutSocialInc
www.linkedin.com/company/sprout-social-inc/
www.instagram.com/sproutsocial

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