**Spreedly SLA Proposed Model:**

**Goal**: to create SLAs that incentivize Spreedly to avoid unnecessary and impactful downtime by sharing in the cost of lost subscriptions as a result of any downtime. That cost and the related service credit will be calculated according to the calculation outlined below:

[db] How we track and calculate penalties will need to be verified by Spreedly team. Still an outstanding question.

**1. Compensation for downtime losses are to be calculated as the following**

A: Number of Missed Starts

X

B: LTV of NYT subscription

X

C: Percent ownership

=

Service Credit Owed for Downtime

**A:** **Number of Missed Starts** is calculated by the number of minutes of downtime in each hourly window X the number of average new subscription events we experience in that hour as defined by the below table:

| Category | Time Slots | Hourly Lost Starts |
| --- | --- | --- |
| A | 12am - 5am | 79 |
| B | 6am - 8am | 139 |
| C | 9am - 5pm | 235 |
| D | 6pm - 12am | 153 |

For example, 15 minutes of downtime in Category A (from 12am to 5am) would mean the Number of Missed Starts value would equate to (15/60) \* 79 = 19.75.

In the instance when downtime is split between two Categories in the above table, we will allocate the minutes of downtime proportionally e.g., if 5 minutes of downtime occurred in category A and 10 minutes occurred in category B, the Number of Missed starts will be calculated as (5/60)\*79 + (10/60)\*139 = 29.75

[DB] I can’t agree to an hourly SLA. Can we move this to a form of if we are down more than X minutes per month then Spreedly would be assessed a penalty fee ; peak, off -peak

**B: Expected Cost of Lost Sale**. This value is the expected full revenue earned from each subscription sold. For 2025 this value is $306. If there is any material change to this input it will be evaluated at the request of Spreedly on a quarterly basis.

**C: Percent ownership** is evaluated based on the root cause of the downtime. If the downtime is caused by a code change that is implemented by Spreedly with no prior warning, testing, or knowledge of the change by the New York Times, Spreedly’s Percent Ownership will be high. If the downtime is caused by a code change made at the NYT, Spreedly’s % ownership will be 0.

Percent ownership shall be determined by the table below

[db comments] Remove ownership. We can give 30 day notice on certain changes. Those notices would be provided via status page, and NYT can test based on those notices. We do not have testing and sandbox testing in collaboration for all changes. Also misses vendor outages; which we can not be held liable for.

[db] Ownership needs to be simpler (AWS goes down - not accountable) reasonable efforts on everyone else,

[db] bin data is down - account updater - that is us.

Move to the standard contract language This would not allow for “true outages” missing the spirit of penalties. Removing the standard contract language would not allow for the measurement of "true outages," thereby missing the fundamental purpose of penalties.

| Tier | Description | % Ownership |
| --- | --- | --- |
| Tier 1 | Downtime caused entirely by Spreedly, with no prior warning, testing or knowledge of the Change by the NYT | 100% |
| Tier 2 | Downtime caused entirely by Spreedly where they provided prior warning of the change outside of the window of 30 days by which these SLA’s ask Spreedly to provide warning of upcoming changes with the potential to cause downtime | 50% |
| Tier 3 | Downtime caused entirely by Spreedly where prior warning of the change within the widow of 30 days outlined in these SLAs | 25% |
| Tier 4 | Downtime caused entirely by Spreedly where prior warning and was provided within the change window and sandbox/testing of the code was conducted in collaboration with NYT engineering resources [testing not always available or applicable] remove | 10% |

**Other SLA Terms/Contract Updates:**

● The Times will have the right to request that Spreedly make no code changes that will impact our ability to transact during moments of high expected traffic (e.g., Elections or other significant and expected newsworthy events.)

[db We can make best efforts to not make large code releases during known peak events such as Presidential Election Cycles or other events provided that they are provided to Spreedly 12 months in advance.]

● Downtime caused by Spreedly is defined as any downtime that results from a code change, updates, improvements, or maintenance made or conducted by Spreedly (collectively, “Changes”), regardless of the NYT’s discrete implementation and any nuances/irregularities that may have made Spreedly overlook/not consider that the code change might impact the Times.

[db] we can not agree to the line regardless of NYT’s discrete implementation changes that NYT might make.

● Spreedly will give the Times written warning of potentially impactful Changes 30 days before the change goes live